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CHALLENGES FACING ISLAM DISCUSSED

Kuwait AL-'ARABI in Arabic Feb 81 pp 18-21

[Article by Dr Muhammad Fathi 'Uthman: "Islamic Thought: The Challenges of a New Century"]

[Text] We call upon all Muslims to welcome the new century [Hegira] with a positive attitude, one that would add to their vitality, capacities and effectiveness. We urge them to stop bemoaning the loss of their glorious past, to look forward to changing their backward situation and to have faith in a better future.

Islamic thought desperately needs to be liberated, to push forward. Muslims are no longer satisfied with generalizations and glib pronouncements asserting that Islam is adequate to deal with the challenges of every age and place. We must explain in detail how Islam can meet the challenges of our modern age and society. While such generalizations served to restore Muslim confidence in their religion and in themselves in the past, i.e., when their culture was threatened and the Islamic world was at the nadir of despair, and when the only salvation appeared to lie in breaking away from their tradition and imitating the "victorious" West, such simplistic, optimistic arguments do not satisfy the Muslim or Non-Muslim of today. The time has come for a more realistic approach to deal with the problems of the Muslim world, and the world at large, in this new century.

There are some who will disagree with this assessment, resorting, as usual, to the simplistic argument that such is the nature of religion and such is the manner in which God, the ultimate author of the Koran, has chosen to address all people, individuals and groups, in all places and at all times. While no one denies the "nature" or the timelessness of religion, the Muslims, nonetheless, have an obligation to examine the general principles of their religion and to explicate them in more specific detail, and in a manner that responds to the particular problems of people at a given time and place. People are entitled to more than blind, superficial generalizations that neither define the problem nor prescribe a solution. It is not enough to claim that man's apparent incurable maladies are the result of his having strayed away from God, and that the only cure is to return to God. We do not deny that this is the general nature of every religion, but we insist, nevertheless, that the preacher and the intellectual have different missions and that, in contrast to the preacher, the scholar has an obligation to pinpoint the problem and the remedy within the context of religion.

The scholar's mission is very specific and is inseparable from the spirit of the time and place in which he lives. Thus a scholar should not be deterred by his fear of committing errors, nor should he recoil from debate in the mistaken belief that a lack of unanimity would undermine the unity of the faithful. His mission, as a scholar, is not to coin a universal religion--that is reserved to God--but to present human thought, to help his fellowman acquire a deeper insight into the specifics of religion, a more realistic and practical approach to his problems. As such, the scholar's work is more likely to generate different views; nonetheless his approach and solutions are subject to modification to meet the needs of a changing society. Diversity of views on a given topic should not be a cause for alarm. Neither should a scholar be embarrassed about changing his own views from time to time. This dynamism is amply illustrated in Islamic thought. The prophet [Muhammad] himself once reversed his position and permitted the faithful to visit cemeteries after he had banned the practice. Whether that reversal was the result of Muhammad's own further thinking on the issue or the result of divine inspiration no one knows. The important thing is that he did change his position, and in so doing taught us by example how to respond to the exigencies of time and place. Other examples of this dynamism are found in the actions of the Caliph 'Omar, the religious writings of Malik, Abu Hanifa, al-Shafii' and other Muslim theologians.

The Muslim world would do well to consider the evolution of 20th century thought. A good point to start would be to examine the evolution of classical liberalism since the French Revolution of the 18th century, and in particular the changes that have since taken place in the political and economic philosophy of that age, as well as the very concept of individual freedom which, at one time, was construed to be absolute and subject only to the limitation that its exercise did not infringe on the freedom of others. The United States, for example, in the depression days of the 30's abandoned its traditional reliance on supply-and-demand economics in favor of the New Deal philosophy, which held that government must actively intervene to restore economic stability. Similarly, after WW II, the British Government had no choice but to intervene increasingly in that country's economy to ensure fair distribution and social security. The renowned British economist Keynes advocated government spending as a means for restoring economic vitality and combatting recession and unemployment. The interest rate lost its paramount importance as the only magic barometer of economic stability. Not only did the importance of skilled workers grow, but some of the country's industrial and service centers were nationalized and placed under labor control. The vast technological advances of post-war Britain brought other changes. The introduction of progressive income taxes, for example, increased the stature of the labor force in relation to the capitalists and financiers, and transformed the workers from mere voters into members of powerful unions with rights to assemble, demonstrate and strike. Indeed, British workers would on occasion resort to violence, a development that alarmed the Labor Government and threatened to undermine the cherished parliamentary system of Great Britain, the home of classical democracy. France, too, following the student uprisings of the 60's, was compelled to retreat by a powerless president [head of state] and to adopt, beginning with De Gaulle, a new system where the president is also a leader, with power to rule, intervene and balance the conflicting interests of the political parties, the executive branch and the parliament.

So much for the capitalist world. As for the eastern Marxist world, we are all familiar with the Trotsky-Lenin split in the Soviet Union, and the Khrushchev break with the policies of his predecessor, Stalin. In contrast to Stalin who believed in inevitability of war between the capitalist and socialist worlds, Khrushchev was to advocate peaceful coexistence, and to promise an ultimate socialist victory on the thesis that the capitalist world would collapse of its own inherent contradictions. Lieberman was later to call for incentives for the workers. Others in the Eurocommunist world, beginning with the last days of Togliatti's leadership, have been calmmg for more consumer goods. The leaders of the Eurocommunist world have repeatedly declared their loyalty to the democratic process and disavowed the dictatorship of the proletariat as the only way to socialism. We note, too, the rift between Yugoslavia and the Soviet Union and the far more dangerous break between China and the Soviet Union.

In view of these developments in international ideologies in a span of one century, it is all the more urgent that Islamic thought, frozen for several consecutive centuries, should begin to move forward. The argument that unlike human thought the timeless message of divinely-inspired religion need not evolve is devoid of merit. Human thought must evolve and renew itself without losing touch with divine principles; it must continue to grow, to innovate, and to interpret what is what is written and what is not. It should not be argued that division of opinion and debate are signs of impending death. Diversity of views under appropriate moral and ethical constraints is a sign of health. Dispassionate debate which seeks the truth is constructive and enriching.

Muslims have shown time and again that they can stand up during crises and tribulation, and that they can forge ahead when the need arises. They have managed, for example, to free themselves from the grip of tyranny and colonialism. But it remains to be seen whether they can demonstrate that type of staying power in the field of scholarship and intellectual achievement.

The Muslims wasted the past century bemoaning the closing of the door on intellectual pursuits and religious research and condemning the hands that closed it. They squandered the century debating whether to reopen that door. But when one scratches one's head and comes up with a new idea, right or wrong, one is immediately assailed by a multitude of zealots, learned and otherwise, charging one with misleading the faithful, advocating godlessness, and, often, questioning the legitimacy of one's birth. Whips are readied to punish the perpetrator and scare away any who would pay heed to him. Let us hope that the new century will awaken the Islamic world to the realization that to open the door to intellectual achievement one must first ensure the freedom to advocate new ideas, right or wrong. A scholar must be given the right to make involuntary errors. The readers are invited to ponder the hadith [oral tradition relating episodes in the life of the prophet] in which the prophet said the mistaken one was entitled to one compensation while the correct one was entitled to double compensation. Let us hope that the Muslims will come to realize that good religious research is the result of practice, that the mere fact of permitting research will not produce researchers, and that good researchers are not necessarily those with the proper qualifications but those who are both qualified and permitted to err.

Islamic scholars have an extensive selection of options through which they may offer Islamic solutions to the problems of the modern age. Yes, as the new century begins the Muslims sorely need to formulate Islamic interpretations and solutions to the problems of the modern age and these must be guided by religion and in harmony with it. The problems facing Muslims are many and include human rights and civil liberties, beginning with the right of free speech and assembly, the right to form associations and political parties, and so forth. Ways must be found to balance individual freedoms and obligations against the rights of society and the state. The nature, rights and obligations of political organizations need to be defined. The nature of the right to equality before the constitution and the law, including the right to economic equality, must not only be delineated, but ways must be found to implement them in practice, particularly with respect to women and non-Muslims. There is also the problem of regulating commerce and the basic services industry, the use of capital, private and public enterprises, as well as the activity of the banking and insurance industries.

It will not suffice to tell the Muslims of the new century and the world at large that human rights are guaranteed in the Koranic verse which refers to "the dignity of Adam's posterity." While the aforementioned verse shall remain the cornerstone of human rights guaranteed by the Islamic religion, it must be interpreted in specific, modern, concrete terms. In the same vein, no intelligent person will accept the two Koranic verses which refer to al-Shawra [counsel] as summing up the essence of representative governments. It is necessary to inquire into the nature of this al-Shawra, its implications, and how to put it into practice by way of governmental institutions.

It is not enough to say that the Koran and the Sunnah [body of religious laws] forbid lenders to charge interest on loans without examining the historical and economic context in which these admonitions were made, or without examining the subsequent evolution of the world's economic philosophy, the rise of the banking and insurance industries and their influence on man's thinking. Only in the light of such analyses and on the basis of such evidence can we understand the true intent of the Koranic admonition and decide whether to retain it or modify it in a manner that is in harmony with today's economic reality. The Muslims of this generation will not settle for superficial and selective interpretations of the Koran which, depending on the interpreter, could be construed as favoring nationalization and socialism or diagonally opposite economic and governmental systems.

The Muslims of this new century would do well to abandon their propensity to reject absolutely all the political, economic scientific and intellectual institutions of the modern world. They would do well to follow the example of the Muslims of the last century who have learned to select which institutions to imitate and which ones to reject. Blind imitation is to be condemned. We need innovation and originality in dealing with the non-Muslim world, without breaking faith with the accomplishments of our Muslim predecessors. All ascriptions to the Koran and the Sunnah must be accompanied by careful research and scholarly evidence. The Muslims of the new century, especially their leaders, would do well to deal with the working class solely on the basis of the national interest. It must be understood that not everyone involved in political activity is necessarily a bastard to be shunned by Muslims. Controversies of this nature must be settled through debate and negotiation showing the relative merit of each position. The Muslims are called upon to distinguish between the teachings of Islam on harmony

and cooperation and their perception of a monolithic state based on the tenets of al-Shari'a [religious laws]. [The next sentence makes no sense. It is translated contextually.] The Muslims must distinguish between their longing for a self-sufficient caliphate system of government as it once existed and today's need for world-Islamic cooperation as a goal that can be realized in a variety of ways depending on the circumstances. They must recognize that the caliphate system, the prototype of the monolithic Islamic state, did not last very long, and that longing for such a system of government is as unrealistic as the longing of others for a world government. To long for such a system is one thing, but to call for its immediate implementation, meanwhile rejecting all other solutions, is something else.

The way the Muslims view their relations with the outside world needs reexamination. The fact that the Muslims have once suffered under the West's colonialist system, and that they were subjected to foreign ideologies and anti-Muslim values does not mean that we should reject the West absolutely and isolate ourselves from today's Western governments. Our political and ideological differences with the Western world should not be used to impede international cooperation and justify isolation. Even the giant United States, which occupies one-half of a continent, failed in its policy of isolationism. The nations of the world must deal with each other and cooperate. Isolationism will weaken the Islamic world and contribute to Muslim and non-Muslim skepticism about Islam. It will alienate the non-Muslim world and contribute to continued ignorance of and negativism toward the Islamic people and religion. Our tendency to divide the world into two spheres, an Islamic sphere and a "war" sphere [reference to the non-Muslim world in the early days of Islam] is neither wise nor supported by the Koran or the Sunnah, despite the fact that some religious scholars have advocated this view at one time. Other religious scholars, expressing a different view, added a third sphere, the sphere of those who had accepted to live in peace under the protection of the early Islamic empire. [The reference here is to non-Muslim monotheists, Christians and Jews, who solemnly pledged allegiance to the early Islamic governments in exchange for protection and religious freedom.] Still other religious scholars have advanced the idea that the world should be perceived as made up of two zones, an Islamic zone and the zone of those who were still to embrace Islam, i.e., a missionary territory. This group of scholars never referred to a "war" zone.

The Muslims of the new century would do well to update their thinking and their view of the world, and to deal with others in and outside their territory on a par. They must recognize that their mission is best served through building human bridges. A policy based on isolationism would impede their mission, halt the spread of Islamic thought in the outside world and promote rejection of everything Islamic.

We remind that Islamic world that Islam opened the way for human dialog intellectual intercourse and insisted on the use of reason even in war-like situations. The Koran urges the mujahid [fighter for God] on the war path to resort to reason and persuasion before resorting to the sword: "Should an infidel seek your help, then offer it, so that he may listen to the words of God. Remember that the infidel does not know any better." (Al-Tawba; verse 6)

This is the way in which those with confidence in themselves, their religion and their argument conduct themselves. This is the manner in which those who have

faith in man as a creature of God, endowed with intellect, the ability to reason and understand and a free will to choose, conduct themselves. This is the way by which Muslims can gain respect for themselves and their religion. The more they deal with others with justice and dignity, the more they cooperate with the world, the better will the Islamic cause be served. In the words of the Koran, God instructed Muhammad to bring glad tidings to those who listen to counsel before they decide on a course of action. These, according to the Koran, are the recipients of divine guidance; they are the wise ones. (Al-Ramz; 17-18)

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POSITIVE ATTITUDES TOWARD NON-MUSLIMS ADVOCATED

Kuwait AL-'ARABI in Arabic Feb 81 pp 49-52

[Article by Fahmi Huwaydi: "Obstacles on the Way"]

[Text] The relations of the Muslims with the rest of the world need to be re-examined and set straight. Furthermore, the re-examination must be done with a measure of candor. To begin with, the notion that Muslims, simply by being Muslims, are superior to the rest of mankind is not true. Furthermore, the belief that the Islamic religion confers superiority on its adherents while relegating non-Muslims to an inferior status is not true. Neither is what has been written on this topic by a majority of religious scholars binding or indisputable. The fact is that it is no more than speculation subject to error. These claims to distinction at the expense of the non-Muslim world, which have been "sanctified" by a majority of our religious scholars, are touted in a language that is obnoxious on religious grounds, or, more bluntly, condemnable in this day and age.

I have, on a previous occasion, called upon the Muslims to reconcile themselves to the world around them, but it seems that the need for Muslims to reconcile themselves to their non-Muslim fellowmen is even more urgent. For, while a Muslim's shunning of this materialistic world on ascetic and religious grounds is understandable and acceptable, his condescending attitude toward others on the basis of an imagined superiority is neither understandable nor acceptable under any circumstances and in any measure. To shun and withdraw from the materialistic world deprecates man's worthiness to inherit the earth as God commanded, but to shun one's fellowman out of a feeling of superiority deprecates man himself.

There is a real problem in the Islamic world's relations with others. The problem goes beyond the Muslim's perception of others; it extends to the means he uses and, possibly, the goal itself. It is indeed puzzling--and sad--that while some of us never cease to pour curses on those "others," accusing them of godlessness and misguidedness, all of us have become dependents on those "others."

I recently listened during Friday prayers to a preacher expounding the thesis that the Islamic nation is favored by God above all others. In his excitement the preacher began to heap insults on all non-Muslims, charging them with all manner of vice and sinful ways. With hundreds of believing faithful around him, he concluded by imploring God to "wreck their homes, shake their thrones, scatter their fields, destroy their posterity and ruin their crops." As I sat there in the front row, I could not help but note that the rug we were sitting on was made in West

Germany, the air conditioner in the U.S.A., the light bulbs in Hungary, and that the preacher's thundering voice came through a Dutch-made loudspeaker. As the preacher descended from the pulpit to lead the prayers, I had an opportunity to observe him closely. I noted that his cloak was made of British wool, his shirt of Japanese silk, and that his wrist was adorned with a Zodiac Swiss watch. To top it all, his shiny shoes, placed alongside the pulpit, were of Italian make.

A similar episode is related by Shaykh Mahmud Abu Rayyah in his book "God's only Religion." He relates that while attending a gathering of Muslim clergy, the discussion shifted to who would enter heaven. When the author inquired whether Edison, the inventor of the electric bulb, would be allowed into heaven, the answer was no, the clergymen insisting that he would go to hell. The author pressed on with another question: "Even though he illuminated the whole world, including your own mosques and houses?" Again they said no. Their reason: Edison did not make the two testimonies. [Reference here is to the testimonies one must make to embrace Islam, namely, that there is but one God and that Muhammad is God's messenger to mankind.] The author asked again: "If such a great man, who dedicated himself to the service of mankind, could not, according to you, enter heaven because he did not make the two testimonies don't you think that he may have managed to squeeze in through God's grace and compassion? After all, he and others like him do believe in the creator of heaven and earth." The answer again was no.

Stories of this type abound. Some of us may recall that last year a magazine, an organ of certain Islamic groups, exhorted us not to take part in the Moscow Olympic games on the ground that doing so is tantamount to patronizing an atheistic state, something forbidden by Islamic laws. I still remember with disbelief that a well known Muslim writer once called for the closing of all non-Muslim places of worship that have come into being subsequent to the "Elijah Covenant" which Caliph Omar Ibn al-Khattab made with the emissaries of Sufrinus, the bishop of Jerusalem. I was equally shocked when I heard a University professor, who influences thousands of youth, declare that non-Muslims should not be permitted to erect higher houses than their Muslim neighbors. The professor wanted each side "to know their limits and their status in the community"!

It is patently unfair to make these distortions in the name of the Islamic religion. It is also the height of stupidity for some to accept these claims as part of our religion. The religion we know is the one given by God and recorded in the Koran, the message received by Muhammad, the peace of God be upon him. Anything beyond that is at best religious opinion subject to human error. It is written by men and is subject to disputation by men.

The frequency with which claims and episodes of this kind occur, however, makes it necessary to ask a fundamental question: How did such a flaw come to permeate the relations of Muslims with others? There are, we believe, several explanations, each worthy of further investigation.

- A widespread and extreme misunderstanding of Koranic and Sunnah texts arising out of incomplete reading of these texts: Examples: The verse "You are the nation favored above others," commonly misinterpreted to mean you are superior to others, is not read in its entirety. The second half of that verse makes it clear that the intent is to admonish you to promote what is good and to dissuade others from evil. Misunderstanding is often the result of mistaken interpretation. Verse 29

of Surat al-Tawbah [a chapter of the Koran], for instance, urges the Muslims to fight those of the people of the book [Christians and Jews] who do not adhere to the true religion until they consent to pay tribute. The adverb used to qualify "consent" is mistakenly interpreted to mean "submissively," i.e., in a deprecatory manner.

- Interpreting ambiguous passages contextually, i.e., in conformance with the tradition set forth by religious researchers which permits the reader to attribute to a passage the meaning suggested by the totality of the passage. This tradition is not universally accepted and, indeed, gives rise to some form of incomplete reading as discussed above. Early Muslim missionaries were faced with this type of difficulty, a situation that made it necessary to issue a set of rules and warnings to ensure correct reading of the Koran. An example of this is verse 39 of Surat al-'Anfal which states: "Fight them to forestall conspiracy [division or schism] and until all come to accept one religion, God's." This verse was directed at the non-believers of Mecca and the Arabian Peninsula. [sic] [Mecca is in the Arabian Peninsula.]

- Another problem is that most of the religious research in our possession was written during the first four centuries of Islam. (The four sects of the Sunni Muslims were established before the middle of the third Islamic century.) That period of Islamic history had its own particular features, values and criteria which by no means are applicable to the rest of human history. By way of illustration, we note that during that entire period Islam was pitted in a gruesome battle against its enemies in the Arabian Peninsula or against the Roman [Byzantine Empire] or Persian Empire. In view of that it should come as no surprise that the religious authors of the day should divide the world into a sphere of Islam and a sphere of war or non-believers.

- Another reason is that the Islamic memory is afflicted with a deep scar, the result of repeated treacheries and conspiracies against the Islamic world culminating in the Crusades of the 10th century A.D., but whose bloody aftermath extended into the 14th and 17th century A.D., which were marked by genocidal operations against the Moslems of Andalusia [Spain], Sicily, Southern Italy and Sardinia.

- A final reason for the negative attitude toward the Western world is Islam's complete retreat in the face of Western advances following the success of the industrial revolution. This defeat, owing to the degeneration of the Islamic political system, not only failed to rekindle the Islamic world's spirit to rise to the challenge, but pushed it into despair. The result was bitterness and rejection, not an unusual psychological defeat syndrome, particularly when the vanquished is unable to stand up again to return the enemy's blows. More often than not, the defeated withdraws unto himself to bewail his misfortune and to vent his anger in the form of hatred directed at the enemy.

The foregoing analysis would not be complete unless we add one other factor that is peculiar to the manner in which the Arab character is formed. This factor, which has influenced the Islamic world's relations with others, is intimately related to the "Arabization" of Islam. More specifically, this factor is what causes the Arab to feel superior to others. Arabic literature, particularly its poetry, is clearly a culprit in this connection. The reader of Arabic poetry, particularly old poetry dealing with bombastic themes, is quickly given the

impression that the Arabs are the unchallenged, invincible knights of the wilderness, the source of all virtue, the chosen people of God.

All of the above factors, ranging from a distorted understanding of the Islamic religion to ignorance of historic and psychological realities, have contributed in varying degrees to the fundamental flaw which marks Islamic relations with others. Put differently, these factors have created a "psychological barrier" to the development of normal, good relations with the other side. They remain obstacles to this day.

The obvious conclusion is that we must join efforts to remove these obstacles, not only to correct this distorted state of affairs, or because the Muslims have finally awakened to the realization they need the other side, or because it is no longer possible to live in isolation in a world marked by instant communications. While all of these things are important, they are not the primary reason for the need to reconcile ourselves to others. The primary and most important reason is that this flawed state of affairs is contrary to the true spirit of Islam. To persist in an attitude that deprecates man is to distort the Islamic religion in the extreme. It is, bluntly, an act of aggression against God that must be stopped.

A fundamental tenet of the Islamic religion is respect for the value and dignity of man, for the spirit that informs every living creature. The Koran is clear on this point. It instructs us that "God so commands." This respect, which Islam exhorts us to protect, extends to all living creatures, including birds and animals. It is no exaggeration to say with justification that animals have rights under Islam, and that God will punish those who trample these rights. The Hadith [oral religious tradition] provides ample evidence on this point. We all know the story of the woman who was condemned to hell for torturing a cat. Muhammad, upon seeing a youth treat his camel with cruelty, is said to have rebuked the offender with the words: "Do you fear God who gave you dominion over this beast?" Muhammad is also reputed to have told his followers the story of the man who was forgiven his sins for giving water to a thirsty dog. When asked whether God would reward kindness to animals, Muhammad is said to have replied: "You will be rewarded for quenching the thirst of any living creature."

Muhammad never ceased to teach respect for God's living creatures. According to the Hadith, Muhammad had this to say: "God orders you to be kind in all your actions. If you must kill do it quickly. (Islam forbids disfigurement of the human body). If you slaughter an animal or bird do it quickly. Make sure the blade is sharp to prevent prolonged suffering."

Reiterating the same theme, al-Mawardi in his famous book, "Divine Rulings," informs us that it is morally wrong to abuse beasts of burden. If this is the way Islam looks upon the creatures of God, it is easy to understand why it puts so much value on God's most special creature, man.

Islamic writings never cease to remind us of the honor God bestowed upon man. They tell us that man is God's deputy on earth. They sketch for us a magnificent portrait of God's supreme creature, man. In the Koran, God tells us: "We have honored Adam's posterity. We have given man the ability to master land and water. We have provided him with all manner of good food that nature can provide. We have

set him apart from the rest of creation, (Al-Isra': 70). We have created man in the most magnificent way, (Al-Tin: 40). We have created man and then ordered the angels to kneel before him, (Al-A'araf: 11). We have told the angels that we have created a deputy on earth, (Al-Baqara: 30). When we have breathed our spirit in man, you [the angels] will fall upon your knees before him, (Al-Hajar: 92)." There are many other verses.

These Koranic verses honoring man and setting him above all other creatures refer to man, God's creature, not man the Christian, not man the Muslim, not man the Jew, not man the Buddhist, not man of the black color of the white color or of the yellow color.

The irony is that most Islamic religious writings tend to convey the impression that this great honor is reserved for Muslims alone, and this despite the clear Koranic language which speaks of "man" or "Adam's posterity" or, often, is addressed to "The people." Anyone with a rational mind and who knows how to interpret the language of the Koran realizes that no amount of generalization can hide these facts. Koranic language is extremely precise. It says "man" when addressing people in general and the "faithful" or the Muslims when addressing the Muslims.

I do not know of a single Islamic religious book that clearly says that these special honors belong to all men. It is an indisputable fact that Islamic religious books dealing with the subject of relations with the non-Islamic world--leaving religion and doctrines aside--do so with a measure of holier-than-thou, condescending manner that is an affront to man's dignity, a dignity that the Koran clearly and repeatedly insists upon, so much so, in fact, that that requirement has become a badge of honor, a hallmark, not only for the Koran alone, but for Islam itself. It is a badge that no one has a right to remove or to deprecate.

This debate will be continued in a future issue.

9063

CSO: 4802

POST-HOSTAGE ROLE OF KHOMEYNI'S SON DISCUSSED

Paris AL-NAHAR AL-'ARABI WA AL-DI'WALI in Arabic 9-15 Feb 81 pp 32-33

[Article by 'Abd-al-Hadi Mahfuzi: "Iran after the Hostages: The War First and the Domestic Situation: Is Khomeyni's Son the Man for the Next Stage?"]

[Text] The directions, objectives and problems of Iran after the release of the hostages are not much different from those that existed in Iran while the American hostages [were being held there]. What did change was the order of priorities. If the solution of the hostage problem was considered a victory on one Iranian side, the hostage problem and the solution to it were considered a setback and a defeat on another Iranian side.

The U.S.-Iranian solution to the hostage problem did not change the picture of the balance of political forces in Iranian authority. The Islamic Republic is still run by two chiefs who are quite incompatible: the presidency on the one hand and the government and parliament on the other. Coexistence between the two chiefs is provided only by the presence of Imam Khomeyni as a spiritual guide. Had it not been for him the Iranian body could not have tolerated the two heads at the same time.

The dualism that Iranian authority has experienced in the decision making process is considered by some to be one of the aspects of the new democracy [and thought to be] related to the construction of the Islamic state. This may be true in part if Iran had been in different political circumstances: if it had domestic stability; if there was no outside war; and, rather, if people did not resort to the method of political assassinations. This went as far as a personal threat against Iranian president, Abol Hasan Bani-Sadr.

Those who believed that solving the problem of the hostages would free Iran from the pressures of the economic and political blockade were surprised by the fact that U.S. policy [towards Iran] was still what it was before the release of the hostages. In fact, U.S. policy [towards Iran] was relieved of the pressures [that had been generated by] the hostages. This means that the United States came to be in a position of someone who wanted to "punish" Iran economically for the purpose of changing the current political leadership there. This leadership--and especially Abol Hasan Bani-Sadr--had no illusions from the outset about the occurrence of

positive changes in the U.S. position after the release of the hostages. This leadership also did not think that Iranian-U.S. relations ought to be based on emotional considerations.

After the release of the hostages the order of priorities was changed. The question of the hostages used to open the doors for all possibilities in U.S.-Iranian relations, and this kept the Iranians preoccupied with the question of the hostages even though the Iranian leadership did not have one official position on that question.

But now all the political factions are almost unanimous in their Iranian considerations that the superpowers and the smaller countries are in agreement about the need to curb Iranian ambitions and the assertions of the Islamic Revolution. Regarding this situation an Iranian source told AL-NAHAR AL-'ARABI WA AL-DIWALI, "Outside Iran nobody wants us to win the war with Iraq." For this reason it was the opinion of the Iranian source that "The most important thing for the Iranians now is the war with Iraq. This is because this war is a crucial war. If Iraq defeats Iran, this will mean that the Islamic Revolution has diminished Iran's stature in the Islamic region. But if Iran wins the war, the regimes in the Gulf and other regimes will face fundamental changes. Hence, we can understand the tireless effort of many to prevent us from winning the battle at any price."

How do the Iranians view the war with Iraq, and how do they view the matter of negotiations? To this question the Iranian source replied, "A few days ago the Iranian chief of staff, (Falahi) evaluated the military situation by saying that when the war [first] broke out, the balance of military powers was one to five. That is, the Iraqis were in a superior position. But now, the ratio in the balance of powers is one to one. The weapons we have stockpiled are enough for 1 full year, and the Iranian military factories have begun manufacturing different spare parts in addition to real weapons some time ago."

I told the Iranian source that the picture Fallahi had pointed of the military situation did not change the fact that the Iraqi army was fighting on Iranian territory; that is, it was in a superior position. The source replied, "We are expecting a change soon in the location of the battlefield. Information indicates that the situation has improved in West Ham and in Qasr-e Shirin. The southern front, however, has experienced spot wars. Therefore, we are hoping to effect a Deversoir in Qasr-e Shirin."

"What about mediation and negotiation attempts?"

"My own personal judgment is that as long as the situation on the battlefield remains unchanged and as long as the Iraqis remain on Iranian territory, it is unlikely that negotiations will be considered in Iran. This is because negotiations under such circumstances would mean that Iran has been defeated. No Iranian official can possibly accept this or dare to speak of it."

Second, the Iranian Political Situation

After the war with Iraq Iranian interest will be devoted to the internal political situation. Although this confrontation between the two principal movements in the country--the movement of Ayatollah Beheshti and that of President Bani-Sadr--has recently begun to escalate, a new force has nevertheless emerged on the Iranian political scene. This new political force relies basically on independents for setting things in motion, and it sanctions a moderate political course that lies between the two movements. Its significance lies in the fact that it emerged after the gravity of the disputes between the two principal movements increased.

This new political force is led by **Hojjatoleslam Ahmed Khomeyni**, the Imam's son. Ahmed Khomeyni is known in Iranian circles to be understanding, deliberate and not ruled by emotions. In the judgment of some Iranian sources these characteristics qualify Ahmed Khomeyni for playing an important principal role in the next stage. Imam Khomeyni turned his son into a trump card and ammunition for the future. It is this that explains the fact that Imam Khomeyni refused to have his son named prime minister when President Abol Hasan Bani-Sadr nominated him [for that position]. Although Ahmed Khomeyni has been absent from the scene during the past few months, he is now returning to the scene and bringing a moderate and a realistic course. That is, he is returning to take away the initiative from the two feuding political movements.

What is giving Ahmed Khomeyni the good fortune that no other independents, such as Bazargan, for example, have is the fact that the son of the Imam is liked by everyone. He remained neutral throughout the previous period. In fact, his relations with Mojahedin-e Khalq are friendly in nature. When groups from **Hezbollah** attacked a festival for the Mojahedin, Ahmed Khomeyni criticized the conduct of **Hezbollah** and considered that attack a violation of the principle of freedom. Ahmed Khomeyni is also a man of religion who is not known for what Bazargan has been known for: being a step-by-step man. The Iranian situation requires decisiveness which is not beyond the Imam's son.

The Requirements of Necessity

The new movement which is led by Ahmed Khomeyni is supported by Ayatollah Lahuti and by al-Shaykh 'Ali Tehrani. Both are well-known in religious and popular circles where they actually hold distinguished positions. Al-Shaykh Tehrani is the one who obtained the documents that include the names of Iranians who were dealing with the U.S. embassy in Tehran. It is being said that he has a long list of names which he will not hesitate to use when that becomes necessary.

Among the civilians who sympathize with Ahmed Khomeyni emerge a few names that are well-known in Iran such as Sadeq Tabataba'i, Sadeq Oqtbzadeh and Yadollah Sahabi. There are also many groups in the Islamic Republican party that are displeased with the present situation.

Third, Iranian-Arab Relations

Iranians view the suspension of relations with Jordan and Morocco to be merely a practical expression of the existing situation. Relations with either Jordan or Morocco were basically neither active nor warm. The suspension of relations is no more than a political expression of the displeasure [that exists] with the posture of the two regimes. An Iranian source told AL-NAHAR AL-'ARABI WA AL-DI'WALI. "The suspension of diplomatic relations is the suspension of relations with the two regimes and not with the two nations."

Nevertheless, the Iranian reliance on Algeria, Syria, Libya and the PLO did not prevent the emergence of a strong Arab trend among the regimes that met in al-Ta'if. Not only did this trend support Iraq, but it also differed with the Iranians on many issues. In this regard Iranian diplomacy finds itself faced with obstacles that are not easy to overcome. This is because Iran's emergence in "the big world" assumes that it has emerged and that it is interacting with its Islamic environment.

Fourth, Iranian-European Relations

After the release of the hostages, Iranian leaders were hoping to establish balanced relations with Europe--relations that would not impair the concept of Iranian independence. It seems that the Iranian leadership has been pleased with the step taken by Britain and Portugal to lift the economic blockade [against Iran].

In the area of Iranian-European relations, France was supposed to have been the prime beneficiary [of these renewed relations], had it not been for the rapprochement and the sympathy [France did show] towards Iraq. The Iranian source told AL-NAHAR AL-'ARABI WA AL-DI'WALI. "France could have proven its independence from U.S. policy, especially since it has claims on Iran. France provided refuge to Imam Khomeyni, and this is something the Iranian people will never forget. If France had remained independent, it would have been the country qualified to supply Iran with all its technical and economic needs. But France placed all its eggs in the Iraqi and Saudi basket, and this meant that the French were placing their bets on Iraq winning the war. At any rate we will not resort to terrorist actions against French interests in Iran or outside Iran as some of the western media are trying to suggest by drawing an analogy with the occupation of the U.S. Embassy. The situation is different. The occupation of the U.S. Embassy was a popular response to the United States' persecution of the Iranian people for 30 years. What we can say [about France] is that it made a mistake and an error in judgment."

Fifth, Iranian-U.S. relations

Iranians do not expect any positive development in diplomatic and economic relations in the near political future. On this point an Iranian source said, "No Iranian official can ignore the feelings of the Iranian people

who do not want to make any economic or political deals with the United States."

However, the Iranians expect the United States to fulfill its obligations regarding the hostages agreement.

The question that remains is this: When will Iran dismiss the general slogans and define a concrete meaning for them?

The answer awaits a decisive decision on the question of the dual authority so that a single decision does become possible. The matter does not seem to be unlikely.

8592

CSO: 4902

STRUGGLE BETWEEN BANI-SADR, MULLAHS VIEWED

Hamburg DER SPIEGEL in German 23 Mar 81 pp 160-162

[Text] The president started to speak three or four times, but every time his speech was drowned out by the howling of the mob. When the riotiers cut the cable of his microphone, he lost patience and said: "I urge the people to intervene."

The people did not need much urging and, on signal from the president, the audience attacked the agitators and beat them down. The outcome of the brawl on the Tehran University campus was 4 dead and more than 40 injured.

Naturally, President Bani-Sadr did not want that. Disappointed, he announced: "This is not the republic I can be proud to be president of."

Also, it is becoming harder and harder for other politicians to conduct politics in the Islamic Republic of Iran.

Since Ayatollah Khomeyni's revolution overthrew the shah's regime over 2 years ago, political usages have become so fierce that even Bani-Sadr, who was considered a strict Moslem a year ago, now stands deep in the camp of the political moderates, without having changed his own political position to any extent.

Wherever there is an attempt to express democratic convictions, the street fighters of the Shi'ite clergy disrupt it. Even when the president wants to address the public, he is usually shouted down. Bani-Sadr complained: "The president of Iran is the only president in the world who is in the opposition."

And even that may not last much longer since after the bloody fight on the campus Bani-Sadr has come completely under the crossfire of his opponents. The conspicuously unshaven prime minister, Mohammad 'Ali Raja'i (whose nickname is "Ayatollah Gillette"), has rebuked the president for trying to form an opposition front and bringing counterrevolutionary forces into power. However, that was just the mildest rebuke.

Bani-Sadr--as Raja'i, like in duo with Mohammad Beheshti, leader of the "Islamic Republican Party," has raged--is nothing but a lackey of satanic America. Lastly, Sadeq Khalkhali, the retired head Jacobin of the regime, has called for the arrest and condemnation of the president.

Since the end of the hostage affair, which deprived Iran of its most important national trump, the power struggle between rival groups and factions has flared up openly because the end of the hostage affair has in no way brought an end to material troubles, as the clergy who were not wanting in financial transactions had hoped.

On the contrary, 'Ali Nobari, head of the Central Bank, has figured it out for the Mullahs and their civilian followers that the deal with the departing President Jimmy Carter was, business-wise, a fiasco.

Regarding both foreign policy and domestic policy, things are going poorly for Iran:

--The slogans of the radical clergy have isolated Tehran in the Near East and the Middle East;

--In the war with Iraq, about 20,000 Iranian soldiers have lost their lives without a foreseeable end to the war;

--The political purges have driven the professional class out of the country and extensively destroyed the infrastructure, and

--For the first time in decades there is again hunger in Iran.

And the Mullahs are guilty for all the suffering, even though on the contrary it might be Abolhassan Bani-Sadr.

The president does not back away in the deal with the clergy. Since the Mullah lobby no longer permits Bani-Sadr's supporters to speak in the Majlis, the Iranian parliament, and on television, they distribute leaflets in which the president sharply condemns the ideological terror and torture practices the fundamentalists are using. An example: "The Pahlavis ruled Iran with bayonettes; have they been replaced by club-wielding elements?"

In the Majlis and the government, the professional Moslems have completely outmaneuvered all the competing factions around Prime Minister Raja'i. The week before, Raja'i pushed a law through heavy resistance of the opposition which permits him to take over any vacant offices himself. Immediately afterward, he took over the Foreign Ministry which had been vacant since September last year.

Bani-Sadr is not alone in the against the clergy [as printed]. On his side also--even though without enthusiasm--is the great majority of the homeless middle class whose leader is Mehdi Bazargan, the first prime minister of Ayatollah Khomeyni. Even more important is that the bazaaris, the merchants, who smoothed Khomeyni's way back to Tehran with their secret dealings are now backing Bani-Sadr. As an indication of their solidarity, after the campus uprising, they closed their shops in protest against the Raja'i government.

Then last week, revolutionary leader Ayatollah Khomeyni gave up some of his usual reserve and called his opponents, Bani-Sadr, Beheshti and Raja'i to him to declare an end to the bloody quarrel in the country. Also he got their promises to refrain from any public speaking for the duration of the war with Iraq.

Otherwise, as Khomeyni said gloomily the Islamic Republic would break up where possible. He noted: "The guilt will be with those who have fanned the flames of disunity."

CSO: 4403

SHAH'S SISTER FORESEES COLLAPSE OF KHOMEYNI REGIME

Hamburg DER SPIEGEL in German 9 Mar 81 pp 155-163

[Interview with Princess Ashraf Pahlavi by Helmut Sorge of DER SPIEGEL at her Paris residence about the overthrow of her brother Reza and the crisis and future of Iran: "'The Rule of the Mullahs Must Be Eliminated'"]

[Text] Ashraf Pahlavi is the twin sister of Mohammad Reza Pahlavi, the emperor of Iran who was driven out of Iran in January 1979 and died of cancer in exile in Egypt in July 1980. On behalf of her brother, she conferred at one time with Stalin and U.S. President Truman, and the Chinese leader Hua Kuo-feng received her in Peking in 1976. For years the princess presided over the Human Rights Commission of the United Nations.

Today she actively supports the resistance of Iranians in exile against Khomeyni. In numerous newspaper advertisements she scores "the most bloody and reactionary government in history"--the Khomeyni regime. In 1977 the sister of the shah survived an attempt against her life at the Cote d'Azur during which a woman friend of hers was killed. One of her sons was murdered in Paris in 1979. His body, embalmed in New York, is to be buried in his Iranian homeland "after the liberation."

The 61-year-old princess, considered extremely knowledgeable in political matters and ever a champion of the emancipation of Iranian women, is convinced that she will be able to return to Iran.

Until then Princess Ashraf is living in her residences in New York and Paris. In her third marriage, she is married to an Iranian businessman. According to her own estimates, she left a private fortune worth 300 million dollars behind in Iran.

SPIEGEL: Your Imperial Highness, the rule of your family in Iran ended in a catastrophe which is still shaking your country. You, however, are continuing to fight for the restoration of the monarchy despite the fact that the former system surely is the root cause of your country's ordeal.

Ashraf Pahlavi: You are right in using the term ordeal to describe what is happening in my country. The almost complete destruction of a country in a matter of a few months by a gang of mullahs is unprecedented in history. Such a thing had not happened anywhere at any time. The systematic destruction occurring now is an outright crime being committed by the mullahs. It has nothing whatever to do with the previous regime. Nor can it be justified by alleged "acts of violence" under my brother's rule.

SPIEGEL: But violence did occur under the shah's regime.

Ashraf Pahlavi: If one asserts that my brother's rule was authoritarian, what is one to say about the tyrannical dictatorship of Khomeyni and his accomplices?

SPIEGEL: Of course, two wrongs do not make a right. What really was surprising was the quick collapse of the seemingly strong rule of the shah. How do you explain this sudden downfall?

Ashraf Pahlavi: The downfall did not come as suddenly as you assume. It only seems that way because the international press did not deal with events in Iran until after Khomeyni had settled at Neauphle-le-Chateau in October 1978. The plan for the destruction and destabilization of Iran had been prepared long since. Starting in 1974, after the raising of the price of oil, foreign and Iranian elements began systematic attacks against the regime and the person of the king.

SPIEGEL: Do you really mean to assert that there exists a direct connection between the raising of the price of oil and the revolution in Iran?

Ashraf Pahlavi: Yes, I do. The rise was not in the interest of the Western countries. They thought that my brother had been responsible for the raising of prices. At the time of the raising of the price of oil, the terrible calumnies and charges against him began.

SPIEGEL: Already during the happy days of the shah, however, a lot of people wondered how such a backward country could afford the sudden modernization the shah had prescribed for it.

Ashraf Pahlavi: Japan too, late in the 19th century and early in the 20th century, managed to become an industrialized country in a matter of 30 or 40 years, and there are more examples of very rapid growth—in Brazil and South Korea, for instance. And don't forget that in the mid-1960's Iran faced a serious problem: oil supplies were decreasing rapidly.

SPIEGEL: According to 1978 estimates, Iran will have oil for only another 30 years.

Ashraf Pahlavi: It was not possible in the long run to insure the needs of a rapidly growing population with these supplies. Moreover, a shortage of water and arable land made it impossible to insure the feeding of a population which will double by the end of the century, increasing from 35 to 70 million. In other words, there is no solution but rapid industrialization.

SPIEGEL: Did you actually ever expect that a bellicose and integrationist Islam could become the trigger for the overthrow of the shah?

Ashraf Pahlavi: No. But what we are witnessing, that Islamic republic of Mr Khomeyni, has nothing in common with the true religion. Genuine Islam is not based on hate and vengeance, on crime and genocide.

SPIEGEL: Did Ayatollah Khomeyni take your brother by surprise?

Ashraf Pahlavi: Neither my brother nor others thought it could happen so fast. My brother told me that he was amazed. It was like an avalanche. And in the end the only choice left to him would have been bloodshed, and that he did not want under any circumstances. He kept insisting to me: I am no dictator; I want to leave my throne to my son without any blood clinging to my hands.

SPIEGEL: What were the biggest mistakes of your brother before the revolt in 1978?

Ashraf Pahlavi: Perhaps he relied too much on his friends and allies.

SPIEGEL: That is simplistic. Surely your brother was not without his faults. He was not only blamed for acts of repression against opponents of his; another reproach was that not the masses but only the industrialists and the ruling class came to enjoy the billions of petrodollars.

Ashraf Pahlavi: The petrodollars, as you call them, could not be distributed so easily. The money was a component of the country's economic and social development in the form of superhighways, universities, schools and hospitals. In this way the people shared in it. One cannot distribute dollars to everyone every day. Incidentally, the workers and peasants were not against my brother.

SPIEGEL: But everyone else was?

Ashraf Pahlavi: The others were against him because they did not like his system. They wanted anarchy, which cannot put up with any regime. As a result of this anarchy and of chaos, the Iranian people now live in terror and in a dictatorship.

SPIEGEL: Another reproach against the regime of the shah was the life style of Princess Ashraf. The French paper LE MONDE, for instance, described you as a "scheming and unscrupulous wheeler-dealer." The shah himself went so far as to ask you twice to leave the country. Were you not a problem for such a traditionalist country?

Ashraf Pahlavi: The only thing important in the eyes of the traditionalists was that I was close to the king and was fighting for him. They wanted to isolate the king. I, however, was someone who told him the truth.

SPIEGEL: "Black panther," "the secret empress," "the real power behind the throne"--this is what you were called in the Western press. What kind of influence did the black panther in fact have on Iranian politics?

Ashraf Pahlavi: I had no influence on Iranian politics except when my brother became king. We were both alone, and in 1941 it was the same in Iran as 2 years ago, when my brother stood alone against everyone. The entire country was in utter chaos, and in such a situation it was quite normal for his sister, his only friend, to afford him assistance. I did what I could to support him. I was his confidante, his sister, his friend. From the moment when he had the country under control and did not need me any longer, I withdrew from politics.

SPIEGEL: Your father, Reza Shah, was a tough battle-tested warrior. If one compares his life with yours, one gets the impression that you inherited more qualities from your father than your brother did.

Ashraf Pahlavi: No, no, my brother was superior to me in every respect. If I had become queen, being very intuitive and making decisions very quickly, I would not have been able to hold Iran.

SPIEGEL: Did it really never occur to you that you would have been a better leader of Iran?

Ashraf Pahlavi: No, never. He had all the qualities for being a monarch; I had not.

SPIEGEL: You really never called him to criticize him?

Ashraf Pahlavi: No, I never criticized him. I told him a lot of things that I had been told, particularly about what people thought of him. I also told him that he had to do something to raise his prestige in the country. But he would say: I am a king who is doing his duty; I know what I am doing, and I don't care what the press says about me. And my friends, the heads of government of other countries, know what I am doing.--Later one could see that I had been right. His friends dropped him. When he then realized that something had to be done for his prestige, it was too late. Perhaps he was too convinced of what he was achieving.

SPIEGEL: There is also no doubt but that you have self-confidence. In 1946 you went so far as to visit Stalin in Moscow. And he is supposed to have said about you: There is a real patriot!

Ashraf Pahlavi: Stalin said to me: "If the king had 10 patriots like you, he would not have any worries any more." I told him what I thought, asking that he withdraw the Russian troops from Iran. "If you do not leave our country," I said, "we will be forced to put the matter before the United Nations Organization." My audience with Stalin was supposed to last 10 minutes, and Tito was waiting in the antechamber, but Stalin talked with me for 3 and 1/2 hours.

SPIEGEL: And on top of it the Russian dictator made you a present of a sable fur and decorated you with the Order of Lenin. In your view, what would have had to be done to preserve the rule of the shah against the revolt of the mullahs in 1978?

Ashraf Pahlavi: That could have been done only with radical means. During the unrest, one would have had to fire at and kill people. The dynasty could have survived, but with how many dead--200,000? That was not possible, not even in order to preserve a throne.

SPIEGEL: The United States refused from the start of the crisis to support its most loyal ally in the Middle East in his fight for his throne.

Ashraf Pahlavi: It was an absolutely incredible attitude. I will never forgive Carter for it. The real reason for the upheaval of the Pahlavi dynasty and for the present chaos with Khomeyni is that the United States did not help the shah. Carter was more interested in what went on at Camp David between Israelis and Egyptians than in what was happening in Iran. He probably never understood the seriousness of the situation.

SPIEGEL: But shortly before the start of the revolution, the U.S. president toasted the new year together with you and the shah, stating that "Iran is an island of stability" and that he felt no stronger ties of friendship with any other country.

Ashraf Pahlavi: Carter dropped us completely and was already conspiring behind my brother's back when my brother was still in power. Carter's ambassadors made secret contact with Khomeyni. What kind of an ally is that?

Several times my brother said: "I wonder whether all these people who are against me are not being manipulated by the United States." Carter constantly threw monkeywrenches into our path. Before his resignation, Mr. Bazargan confirmed in a television address that the Islamic revolution would never have been possible without the United States.

SPIEGEL: After those events, you broke off contacts with Carter?

Ashraf Pahlavi: I merely wrote him two letters in which I asked him for help for my brother, who was very seriously ill.

SPIEGEL: Did you get an answer?

Ashraf Pahlavi: Yes.

SPIEGEL: A positive one?

Ashraf Pahlavi: If it had been positive, my brother would still be alive.

SPIEGEL: Did it ever occur to you that the U.S. government might yield to the demands of the mullahs and exchange the shah for the embassy hostages?

Ashraf Pahlavi: I am not 100 percent sure, but we have some evidence for it. Certainly there were disgraceful negotiations between the Iranian government and Panama.

SPIEGEL: Was your brother aware of that?

Ashraf Pahlavi: Yes, he suspected it. Besides, Carter had sent his legal counsel. He demanded: If you want to be treated in a hospital in Houston, you will first have to resign. My brother's reply was: I prefer to die.

SPIEGEL: How did your brother react to the refusal by the U.S. government to grant its most loyal ally at least limited residence?

Ashraf Pahlavi: How can someone like Carter still dare cite human rights? The man is utterly irresponsible and basically malicious. When I went walking with my brother on the beach in Panama, he would throw up his hands time and again saying: Can the world really be so base?

SPIEGEL: Had the shah abandoned hope ever to see his country again?

Ashraf Pahlavi: He entertained this hope not for himself but for his son.

SPIEGEL: Reza Kyros in Egypt proclaimed himself his father's successor. Do you really think that he will ever rule in Tehran?

Ashraf Pahlavi: And why not? Many Iranians are beginning to abandon their reserve. Pictures of Reza Shah II are cropping up on walls in the cities. The country is threatened by ruin at the hands of Khomeyni. In the course of our history, the monarchy has always been the symbol of national unity. The chaos caused by Khomeyni and the anarchy might favor a return to the monarchy.

SPIEGEL: Do you really believe that?

Ashraf Pahlavi: And why not? His father ruled for 37 years. Of course he cannot be like his father immediately. He just has not been prepared for having to assume power so early. But now he is preparing himself for that time. He meets with economists and politicians and learns for the future. In any case, he is determined to return to Iran.

SPIEGEL: The bloodhounds of Ayatollah Khomeyni in Paris in 1979 murdered your son, who wanted to fight the mullahs. There have been attempts to murder you as well.

Ashraf Pahlavi: Three attempts were made against my brother. We have to live with it. What is life but a suspended death sentence? One has to go on and not think too much about death. Do you not believe in destiny?

SPIEGEL: Destiny and the ayatollahs may also possibly deprive you of your fortune. At Tehran's request, a Swiss court has already confiscated a mansion of your family. That is not enough for the mullahs: they demand the return of the entire fortune of the shah.

Ashraf Pahlavi: The unprecedented corruption prevailing in Iran at present and the ignominious way in which the mullahs are stealing state property are forcing them

to conceal their machinations in every possible manner. They are therefore spreading lies about my family everywhere. We acquired our wealth legitimately; the mullahs cannot say the same about themselves.

SPIEGEL: The Iranian opposition in exile is deeply split into monarchist, republican and extreme leftist groups. Do you see a chance of these groups uniting?

Ashraf Pahlavi: If they ever want to return to their country, these groups will have to unite whether they want to or not. There is at least one point on which the opposition in the country and abroad is agreed: the rule of the mullahs, which is destroying the country, must be eliminated. Strangely, even Bani-Sadr has made that demand. As far as I know, he is thus the first president of a republic who is in opposition to the elected government.

SPIEGEL: Would you be prepared after the death of the ayatollah to support a republican and democratic Iran?

Ashraf Pahlavi: If I believed in a democratic and republican system, I could say, "Why not?" But seeing how this regime, which says it is republican, is functioning, I reply with an unequivocal no.

SPIEGEL: Thank you for this interview, Your Imperial Highness.

8790

CSO: 4403

COMMENT ON NEW FINANCE MINISTER

Tel Aviv DAVAR in Hebrew 10 Feb 81 p 7

[Article by Ya'akov Arnon: "The New Minister Presents Himself"]

[Text] There is no denying that the appearance of the new Finance Minister Yoram Aridor was unlike the appearance of his predecessor Yig'al Horowitz. His speech is quiet, he stresses the influence of the measures that the treasury took recently and the importance of social considerations in every economic activity. He does not repeat over and over again at the beginning, middle and end--"I do not have," but rather explains that in the given circumstance his ministry is obliged to take certain steps in order to preserve the economy without injuring the higher social interests. In addition--what is particularly enchanting to economists--Yoram Aridor speaks like someone who has learned the professional jargon and impresses you as a reasonable man. He even claims that he does not think about the elections which will hit us, for the good, at the end of June, 1981. There is no doubt that in the eyes of a part of the public, the new minister's manner is a kind of change for the better.

But when you analyze the measures that the treasury is now carrying out, it becomes clear that there is really nothing to be happy about, neither from an economic point of view nor a social one. Yoram Aridor announced last Monday that the prices of fuel products, apart from gasoline (which is used by owners of private cars!), milk products, frozen meat, flour and bread (apart from standard bread), electricity and water will go up by from 6-25 percent. At the same time he announced that prices will be reduced on color televisions, refrigerators, and washing machines on the heels of a reduction in the purchase tax of between 8-25 percent. Furthermore the prices of small cars will also be reduced by about 10 percent, all during the next 3 months.

I understand that the government cannot continue to subsidize fuel and agricultural products forever. The legendary sums that the state coffers expended on the public in the month of January demonstrate that the state really does not have the finances for subsidies such as these. But there is no justification for cutting down the money flow by increasing the price of products which the entire population buys. The weaker layers of society invest a higher percentage of their incomes in the purchase of these products than do the stronger layers. On the other hand there is no logic in increasing the money flow by cutting down the taxes on products which only a small portion of the population buys (and not exactly the weakest portion at that). From a social point of view, this is a strange policy, to say the least.

The finance minister apparently assumes that the income to the treasury will not be reduced because of the reduction of taxes on electric appliances and cars, because he believes that in the next 3 months they will sell a much larger number of these units than they would have otherwise. I am not sure that this assumption is correct, but even if it were, government incomes would still be greatly reduced after April, 1981 or after June, 1981, if the finance minister were to decide to extend the period of the reduction to 5 months. Products like color TV's, refrigerators, washing machines and cars are purchases by those who need them and have the ready cash. A person will not buy this kind of product if he does not need it just because today he gets a 15 percent reduction on the price that was set yesterday or will be set in 3 months. Other people who are likely to buy in the next 3 months are those who are willing to advance by 3 to 6 months purchases that they had been planning to make for some time, so that on the basis of such buyers, demand has not grown in an absolute way. That is to say, if Yoram Aridor does not succeed in his task--to increase the quantity of electric appliances and cars that will be sold in the next 3 months--he will only cause a loss of income to the treasury and will increase the money flow and inflation.

Even if Yoram Aridor will "succeed" in encouraging the demand for these products in the next 3 months (or 5 months), he will cause a considerable reduction of income to the treasury in the period following, a reduction at a higher rate than the rise in income now. The only ones who will enjoy this arrangement are those who have enough cash on hand to exploit the temporary situation, and the loser over the long term will be the Israeli treasury and the weak levels of society which pay the increased costs of essential products.

I am afraid that the treasury people suggested this exercise in order to compensate for the influence of the price increases of essential products on the consumer price index (which is the basis for the cost-of-living increase), by reducing the cost of products which only a portion of the public is able to buy (and not the weakest portion).

Aridor stressed in his speech on television that he is not interested in election policy. He also apparently is not worried about the economy after 3 months (or 5 months after a possible extension). Is this policy based on Aridor's estimate that after June, 1981 the Ministry of Finance will no longer need tax revenue, or does he suppose that the responsibility will be in the hands of another government and he, Aridor, will be able to criticize the next finance minister for revenue shortfalls and a budget deficit? It seems to me that this latter suggestion is the correct one, and that this exercise is part of election policy.

9794

CSO: 4805

ESTABLISHMENT OF U.S. BASES OPPOSED

Tel Aviv 'AL HAMISHMAR in Hebrew 5 Feb 81 p 1

[Editorial: "The New Regime and Israel"]

[Text] The Middle East policy of the new American administration is still in its formative stages, and it is perhaps too early to determine precisely its objective and the degree of its continuity with the policy of the Carter administration. Still it is already possible to point to several components of the policy that is being consolidated.

For example, in President Reagan's statement on Tuesday concerning the effort for a "balanced policy" in the Middle East, words of praise were included for the important "strategic mission" that Israel fulfills for the national security interests of the U.S. The emphasis on the "strategic mission" of Israel in the area found expression as well in the declaration by Secretary of Defense Caspar Weinberg that the administration would give "sympathetic consideration to the establishment of American bases in Israel if Israel should present such a request." Actually similar declarations have been heard in the past, but it seems that the new administration in the U.S., which seeks to demonstrate its ability to take on the USSR in all parts of the world, will, in fact, work for the establishment of bases here, too. It is now time to say explicitly that Israel is not interested in the establishment of foreign bases of any sort on her soil. Despite her friendship with the U.S., Israel has no interest in American bases. For little Israel must not become a focal point for the inter-bloc confrontation or a target for a strike on her territory by the Soviets--because of the presence of those bases. The Israeli government is obliged, therefore, to declare in a friendly fashion, but decisively, that she is against the establishment of the bases.

It is now becoming more and more clear that the happiness of the Begin government on the matter of the recognition, as it were, of the settlements by Reagan was premature. In his speech this week, the President in fact retracted his assertion that the settlements were not illegal by saying that that was only his own "legal opinion." He furthermore defined their accelerated establishment as a "needless provocation." It seems to me that after the President of the U.S. defines the work of this government as a "provocation," there is no longer room for the delusion that the U.S. is reconciled to our policy in the territories.

What is the reaction of the government of Israel?

We have said many times recently that we are not sure that the government still exists. But we are absolutely sure that for a long time now it has had no foreign policy whatsoever.

9794

CSO: 4805

DAYAN CRITICIZED AS IRRESPONSIBLE

Tel Aviv DAVAR in Hebrew 5 Feb 81 p 7

[Article by Aharon Geva: "NRP Preferable to Dayan"]

[Text] Dayan's return to the political arena and the support which he has garnered justify consideration of the amoral nature of those voters who have turned the rejection of personal responsibility into a higher virtue.

It was to be expected. Dayan is used to sitting on the fence and only leaving it at the last moment. He has done it more than once or twice before and in the final analysis usually landed on the wrong side. Even if Dayan has not yet officially declared his participation in the coming elections, it is already possible to see a Dayan list as fact.

Why did he do it this time, too? There are those who say that Dayan wants rehabilitation. Agranat Commission or no--Dayan knows that history will not judge him by the opinion of a public commission. He does not want to be remembered for the political freeze, pregnant with disaster, from the Six-Days war to the Yom Kippur war, nor as minister of defense who prepared the IDF for the Yom Kippur war. Dayan wants to be remembered as the wizard of peace: peace with Egypt, a working arrangement with the Palestinians. Others add the complex relationships between Peres and Dayan. They say that Dayan has an unflattering opinion of the head of the Labor party. He will not be able to prevent the man who until not so long ago was his number two man from now becoming number one in the country, but he may be able to rob him of an absolute majority. Explanations like these may interest psychologists. But whoever deals with policy must deal in facts and these teach us that: Dayan will participate in the race and will diminish the Alignment's chances of achieving a majority in the Knesset. The question is how the Alignment should act before the elections and afterwards.

It is common knowledge that the roles have been reversed: in the preceding elections the Alignment stressed foreign issues and the Likud, internal ones. Now the Alignment will try to emphasize internal problems like the Likud plays up foreign issues. Dayan will join the Likud chorus. When all is said and done, what can he offer apart from his special program for the West Bank? Will he offer Horowitz as a cure for the economy? Or maybe Katz as a panacea for every social ill? Dayan will talk about one-sided autonomy as against the Jordanian option. We can only hope that the Alignment will not change course and will emphasize internal problems. We shall see what they have to say about these problems: Likud, Dayan and his band of helpers.

If the Alignment were to receive an absolute majority--how sweet it would be. Even if it were to seek partners, it would not be dependent on them. The question is what it should do if it does not achieve a majority. Then, they say, it would have the choice of bringing into the government either the NRP or Dayan's list. Choose Dayan--many would claim. Dayan is flesh of our flesh. A stray sheep asking to return to the fold. A wayward child returning to the family bosom. And if it is still too early to ask what would happen if...it is worthwhile to clarify some things now: the Alignment will act without sentimentality, certainly not on the basis of those we have just enumerated. He may be flesh of our flesh, but that flesh is not exactly the product of the week. He may be an errant sheep, but not without blemish. One should treat Dayan as befits him: on the basis of cold and calculated considerations.

It may be that cold consideration will indicate that there is no choice but to cooperate with Dayan's list, but there are also serious considerations which point in the opposite direction. Today the list exists--tomorrow, with the disappearance of Dayan, it would be no more. The NRP is another story: it exists today and it will continue to exist tomorrow. Contact with the NRP is likely to be more worthwhile in the long run. It makes no sense to push the NRP (as was done once with the liberals) into the arms of "Herut."

If course there are also weighty reasons against cooperation with the NRP and there are also other potential partners: the Liberals (or a portion of them), perhaps even Herut (without Begin and Sharon it would perhaps be a party of another stripe). We write these things in order to get the jump on those who speak of "flesh of our flesh." I have already heard them whispering in my ears.

Those same whisperers come around today and claim that they did the wrong thing when they did not listen to them and did not worry about returning Dayan to the Labor party immediately after his falling out with Begin. If he had returned, they say, victory at the ballot box would have been assured. The Alignment would have achieved an absolute majority and peace for Israel. Those circles forget that the problem is not in what framework Dayan is included, but the very essence of his political activity. Dayan within the Labor party means a party paralyzed as it was in the days after the Six-Days War. A party with a blurred image, a body in fear of division, "labor" which is afraid of its own shadow. Dayan out of the Labor party makes possible its resuscitation and increases its ability to act. As long as Dayan is not among its members, the Labor party can choose the partners it wants. Partnership with Dayan incumbent upon it.

Not only that but returning Dayan to the Labor party would be horribly corrupt. The man left Labor, returned to it, paralyzed it, spit in its face and despoiled it. Now they are going to take him back with open arms? If so, everything goes in the political arena, there are no ethical norms, and the decent person will stay far away.

The return of Dayan to the political arena and the support which he has won makes one ponder the nature of those apparently amoral voters who have turned the rejection of personal responsibility into a higher virtue--and afterwards they come and ask: What has happened to Israeli society? What has happened to personal example?

9794

CSO: 4805

DRAFT LAW ESTABLISHING MILITARY UNIVERSITY PUBLISHED

Amman AL-RA'Y in Arabic 3 Feb 81 p 5

[Text] During its meeting yesterday, the National Consultative Council referred the draft law on Mu'tah University to the educational and legal committee to debate it and report its opinion thereon.

The following is the text of the draft law:

Article 1: This law is called (the law on Mu'tah University for the year 1981). It will go into effect upon its publication in the official gazette.

Article 2: The following words and terms, wherever they appear in this law, will have the following definitions, unless the context indicates otherwise.

The university: Mu'tah University,

The board of trustees: The board of trustees of the university,

The President: The President of the University,

Military: The military, police, security and related services.

Article 3: A university called Mu'tah University will be established in the Kingdom. It will be located in Mu'tah in Al-Karak Governorate, and it will be a national institution for higher civilian and military education.

Article 4: This university will have the status of an independent legal person. As such, it can sue and be sued, and it can appoint the attorney general or any attorney to represent it in legal proceedings. The university has the right to own property; borrow; sign agreements; accept donations, bequests and endowments; and act or take any measures which help to achieve its goals as defined in accordance with the provisions of this law and the regulations issued thereunder.

Article 5: The university will seek to achieve the basic objectives of universities in general, especially the following:

a: Provide opportunities for higher education, improve its quality and raise its standards.

b: Supply the country with specialists in the fields of science, technology, and arts and letters, and supply the armed and public security forces with officers and leaders qualified to face current and future challenges in both military and civilian situations.

c: Strengthen Jordanian national pride and the feeling of pan-Arab affiliation; develop student talents and qualities of leadership and productivity; and develop close association between sharp intellect and noble character in all activities.

d: Encourage scientific research, particularly scientific military research, and apply the results of such research to achieve comprehensive Jordanian development and effective performance and accomplishment in the military domain.

e: Adopt and assimilate modern technology and utilize it in Jordanian military and civilian activities.

f: Disseminate knowledge, especially regarding the Islamic Arab heritage, and contribute to the bettering of human civilization.

Article 6: The Arabic language is the language of instruction at the university, and the board of trustees has the right to decide to use another language in appropriate circumstances.

Article 7: To accomplish the objectives of this law, the university will adopt the most modern methods and techniques of teaching and learning, and of selecting courses of study and topics of research. It will adopt the following objectives in particular:

a: To apply the principles of military organization and discipline to all students and employees of the university. Military training will be mandatory for all students. Accordingly, graduating students will be exempt from basic military training during their period of military service. They will have the rank of officer during this period and will become reserve officers upon its conclusion.

b: To have the students participate in administering their affairs at the university.

c: To consider practical field training as an essential part of theoretical training and to allocate an adequate number of student hours for it.

d: To relate individual and group field training to the local society, so that such training will contribute to the improvement of society and to the solution of its problems.

e: To open the doors of the university for community activities and to try to meet the needs of the locality.

f: To provide continuous academic and military education opportunities to all students who are members of the military forces and others for the purpose of raising the standards of their qualifications or updating their knowledge.

g: To open admission to the university to qualified applicants from the brotherly Arab nations.

h: To strengthen relations with Jordanian, Arab and foreign universities, benefit from their expertise and share with them the expertise of this university.

Article 8:

a: The university will have a board of trustees comprised of 11 members as follows:

1. The commander-in-chief of the Jordanian armed forces.
2. The minister of education.
3. The chief of staff of the Jordanian armed forces.
4. Three members who have college degrees and the qualifications and capability to serve the society,
5. The chief of public security,
6. The president of the university,
7. The chief of the intelligence service, and
8. Two members from the brotherly Arab countries.

b: The king will appoint, by royal decree, one of the board members as chairman of the board.

c: Excluding ex officio members of the board of trustees, the king will appoint members, relieve them of their position or accept their resignations, by royal decree.

d: The board of trustees will elect a vice-chairman.

e: The membership of ex officio members of the board is for an indefinite period of time. The term of office the term of the members will be 4 years which can be renewed only once.

f: The call for the board to meet, the organization of its meetings, the drafting and registration of its decisions, and all other aspects related to the performance of its duties will be defined in a system of regulations.

g: In case of a vacancy on the board of trustees, a replacement will be appointed within a period not exceeding 2 months. The new member will serve for a period of 4 years.

Article 9: The board of trustees will have the following rights and responsibilities:

a: To draw up the general policy of the university and to supervise its implementation.

- b: To maintain the academic, financial and administrative independence of the university.
- c: To observe draft laws and regulations which are related to the university and the conduct of its functions.
- d: To accept donations, aid, and any other assistance to the university.
- e: To approve and supervise implementation of the annual budget of the university.
- f: To set tuition charges and their method of payment.
- g: To nominate one or more people for the position of president of the university.
- h: To appoint vice-presidents, deans of faculties and chairmen of departments, scientific centers, the hospital and other departments of the university.
- i: To draw up short-, medium- and long-range plans to develop the university and its facilities.
- j: To approve the annual report of the university including its year end financial statements.
- k: To suspend studies at the university or in any of its faculties for any appropriate period of time.
- l: To exercise any other prerogatives specified in this law or in regulations issued thereunder.
- m: To discuss any matters or problems presented by the president of the university.

Article 10: The president of the university will be appointed by a royal decree from among the candidates nominated by the board of trustees. The board of trustees will determine the salary, benefits and other conditions related to the employment of the president.

Article 11: The university's sources of revenue are as follows:

- a: Grants offered by the government,
- b: Revenues from any fees or taxes imposed for the benefit of the university,
- c: Students' tuitions,
- d: Revenues from the university's investments and activities,
- e: Donations, aid grants, bequests and revenue from endowments, and
- f: Any other resources approved of by the board of trustees.

g: An aid of the chief of public security,

h: One or more members nominated by the president of the university and appointed by the board of trustees.

Article 14: The university council will have the following prerogatives and responsibilities:

a: To study, discuss and approve instruction programs proposed by the various schools, centers and institutes.

b: To take measures to raise the standard of education, training and scientific research at the university to satisfy the needs of national development.

c: To coordinate the scientific, educational and social activities of the various schools.

d: To define conditions for admission to the university and to formulate the bases of selection within guidelines set by the board of trustees.

e: To grant educational and honorary degrees and certificates of education, and to make decisions concerning the equivalency of diplomas and educational courses.

f: To define the cadres of the teaching staff.

g: To prepare the annual draft budget for the university, including year-end financial statements and present them to the board of trustees.

h: To draft the bylaws and regulations related to the university.

i: To discuss any topics presented by the president of the university.

Article 15: The president of the university will exercise any prerogatives or responsibilities provided for in this law and in regulations issued in accordance with it. This includes:

a: Representing the university before any authorities or organizations inside and outside the kingdom.

b: Appointing, promoting and terminating administrative employees of the university according to regulations passed for this purpose.

c: Signing contracts and authorizing expenditures according to the provisions of the financial regulations of the university.

d: Administering the educational, administrative and financial affairs of the university according to the provisions of this law and the rules and regulations issued thereunder.

Article 16: The first vice-president of the university will assume the prerogatives and responsibilities of the president if this post becomes vacant or in the event

of absence or illness of the president. The president may delegate to any of his vice-presidents any of the rights and responsibilities given him by this law.

Article 17: The powers of the deans and the councils of the various schools and departments will be defined in special regulations to be issued in accordance with the provisions of this law.

Article 18: The president of the university will take the following oath before the board of trustees prior to assuming the responsibilities of his position:

"I swear in the name of the great God to be loyal to the king and the homeland, to protect the honor of this profession and to perform my duties with complete honesty and sincerity."

Article 19: The university will be exempted from all taxes, government and municipal, including stamp dues on (revenue?).

Article 20:

a: The General Accounting Office will conduct the final examination of the accounts of the university.

b: The board of trustees will appoint contractual certified public accountants to audit the accounts of the university.

Article 21: Officers from the armed or public security forces will be transferred or loaned to the university according to need, for periods subject to agreement, in accordance with the laws and regulations in effect.

Article 22: On the recommendation of the board of trustees, the cabinet will issue the necessary regulations for the execution of this law, including the regulations relating to the following:

a: Affairs relating to the teaching staff, lecturers, and teaching and research assistants with regard to: grades, salaries, allowances, promotions, vacations, specialization leaves of absence, employment, transfers, transfers on loan, and renewal or termination of service; and matters relating to and the definition of their procedures, powers and the disciplinary measures which they can take.

b: The administrative powers of the president of the university and his vice-presidents; the deans; the directors of academic departments, educational centers, institutes and hospitals; and the directors of the administrative departments which are related to the teaching staff, the employees and the workers.

c: The organization of scientific research.

d: The conditions for the admission of new students.

- e: The awarding of degrees and diplomas and the definition of conditions, rules and procedure relating thereto.
- f: The conditions for authorization of and funding of scientific delegations.
- g: The equivalency of diplomas.
- h: The affairs of employee and workers at the university which include: salaries, wages, allowances, vacations, transfers and transfers on loan, discipline and termination of service, and the formation of disciplinary committees and the definition of their procedures, powers and the penalties they can impose.
- i: Travel and health insurance; the establishment of savings funds; and providing housing for the teaching staff and other employees and workers at the university.
- j: The financial affairs of the university.
- k: Affairs relating to the acquisition of supplies, invitations to bid and awarding of contracts.
- l: Financial and administrative affairs related to the institutions and centers of training as well as the investment projects adopted by the university.
- m: Any other regulations needed by the university.

Article 23. Until the board of trustees and the university council are appointed, the Royal Committee of Mu'tah University will carry out the powers of both the board of trustees and the university council provided for in this law and in regulations issued thereunder. The chairman of the Royal Committee will have the powers of both the chairman of the board of trustees and the president of the university until they are appointed.

Article 24: The prime minister and the ministers are responsible for the execution of this law.

Reasons For This Law

1. Young Jordanians' appreciation of education in general and higher education in particular has increased by large numbers the demand of secondary school graduates for university education inside and outside Jordan. This trend is expected to undergo a large annual rate of increase in the future.
2. In spite of vast and rapid expansion at both the Jordanian university and the University of Yarmuk, the opportunities provided by these universities did not fully satisfy the popular demand for university education. There is also the fact that this expansion has created for these two universities, severe administrative problems which effectively necessitate the establishment of new universities and colleges rather than further expanding the facilities of the two existing universities.

3. Recently, the following facts have been determined concerning opportunities for the enrollment of Jordanian students in foreign universities:

a: Absolute refusal to admit or extreme restriction of the admission of Jordanian students at some universities.

b: The deterioration of academic standards in some foreign universities, and the issuing of degrees without regard for academic standards.

c: The increase of tuition and living costs to the extent that money transfers have imposed a heavy burden on the Jordanian balance of payments.

d: The exposure of Jordanian students in foreign societies to political movements, social pressures and financial temptations. This either induces them not to return to their country or lowers the standard of their service to it.

4. The serious effort to raise the academic standards of members of the Jordanian armed and security forces so as to be able to undertake the new responsibilities of utilizing modern technology and applying advanced military and police techniques, should include providing first class higher education opportunities to them. In furtherance of the applicability of military service to all nationals, and in an effort to develop a sense of close common values and concepts and promote equal work opportunities for those who work in the civilian and military sectors, it is felt that education should be made available to all under the same roof and on common university grounds.

Based upon these considerations, the draft law of Mu'tah University is written to create a national institution for higher civilian and military education which aims at achieving the usual basic goals of any university, such as providing the opportunity of university education, preparing specialists, encouraging scientific research, adopting modern technology, spreading knowledge, strengthening the sense of loyalty to the nation and training leaders in all fields of service.

This university differs from other universities in many aspects which are evident in the draft law, such as its administration, the mandatory military service for students, and the adoption of field training as an inseparable part of studies. The university also seeks to develop a tie between the education process and the local community in the south (an area rich in promising economic projects), open its doors to the activities of local society, and is interested in solving its problems and expediting its development.

8988

CSO: 4802

PRESS REACTS TO RDF DEPLOYMENT

LD171324 Kuwait KUNA in English 1022 GMT 17 Mar 81

[From the Press Review]

[Text] Kuwait, 17 Mar (KUNA)--AL-RA'Y AL-'AMM on the Arab Gulf and the American invasion:

"The Arab countries in the Gulf region have more than once declared their rejection of a proposed U.S.-rapid deployment force. But we believe that this rejection is insufficient to confront the serious imperialistic invasion. We also wonder whether granting military facilities and the establishment of military bases in some countries is less serious than direct colonialism.

"Frankly, the Arab reaction to the American schemes in which Israel is a party is below the required stand because the immense American invasion forms a threat to the independence and sovereignty of the host countries as well as all Arab states.

"Previously, the Arabs had fought against the presence of foreign bases in their countries in order to preserve their independence as such. They are requested to put up the same struggle against the new American plans.

"Undoubtedly, the proposed American force and the present military facilities in some countries of the region do not provide protection for these countries. On the contrary it brings about their collapse as happened in Iran, Indochina and Latin America.

"Therefore, allowing American presence means simply an invitation for trouble and disturbances. National dignity implies that local governments should shoulder the responsibility of protecting their countries instead of depending on the American protection which takes the form of invasion under the pretext of fighting an alleged Soviet threat.

"It is high time the Arab countries took a unified collective stand opposing American schemes and plans. We have had enough sufferings from the West. If there would be any Soviet threat we would fight it ourselves and not on behalf of the U.S. unless we have become American ourselves."

AL-ANHA' on the same subject:

"We support a call by the South Yemeni President 'Ali Nasir Mohammad to fight the foreign military forces in the region because any foreign presence in our countries means a return of imperialism.

"We could not oppose any call for joint Arab action to resist the presence of bases and fleets which form a threat to our independence and sovereignty.

"We do not differ with Aden on the principle of opposing foreign presence because we certainly would not be happy to see the stripes and stars of the Union Jack coming back on fleets only to remind the Arabs that their freedom is in jeopardy.

"But we would like to ask Aden: How can you justify your alliance with Moscow while you charge others who cooperate with the U.S. with treason and conspiracy?

"We believe that the wrong stand taken by the Sultanate of Oman in allowing the U.S. to have military facilities on its soil does not justify that South Yemen should make the same mistake by granting military facilities to the Soviet Union."

KUWAIT TIMES on the same subject:

"In repudiating categorically the vicious concept of a U.S. rapid deployment force in the Gulf, Kuwait has expressed the viewpoint of all the littoral states. Minister of State 'Abd al-Aziz Husayn underlined a hard fact when he emphasised that the flow of oil from the region can be ensured only through maintaining peace and stability in the region which, in turn, makes it necessary to keep the area free from the superpower military presence.

"There is, in fact, no substance in the U.S. plea that as the Gulf region is vital for the West as a principal source of oil supply, the United States and the Western powers toeing the U.S. line would be justified in stationing their troops in the vicinity of the Gulf region and putting the same to aggressive use against the Gulf states at an opportune time to be chosen by the White House.

"It is common observation that intrusion by any one superpower in a region invites reaction from the other superpower, and once this process starts it knows no end. This is precisely the situation that threatens the Gulf region. There are already dozens of warships of the U.S., together with those of other Western powers, in the Indian Ocean, followed by men-of-war of the Soviet Union.

"This confrontation can never guarantee the free flow of oil at all times. As 'Abd al-Aziz Husayn clearly stated: There is 'no necessity for any superpower military presence in the Gulf region, because such a presence runs counter to the interests of the states of the region and carries with it the risk of turning the area into an arena for superpower rivalry.'"

CSO: 4820

GANDHI VISIT, RELATIONS WITH INDIA DISCUSSED

LD231310 Kuwait KUNA in English 1103 GMT 23 Mar 81

[Text] New Delhi, 23 Mar (KUNA)--The prime minister of India, Mrs Indira Gandhi, is paying an official visit to Kuwait in May. It has now been confirmed by official sources.

The visit affirms the increasingly close and cordial ties between India and Kuwait. In addition to a similarity of views on such international issues as the Middle East and Palestine, the two countries are now actively involved in the economic development of each other.

Judging from the recent visits of a high-powered Kuwait investment group and other delegations, Kuwait is taking a special interest in India's newly liberalised investment policy which specially welcomes capital from the Gulf in certain spheres of Indian economic growth.

On the other hand, Indian companies, technical experts and skilled labour are actively involved in several projects in Kuwait.

Joint Indo-Kuwait ventures in third countries are regarded as a fruitful field for future activity.

In fact, there are already some ongoing joint projects like a hotel in Cyprus where a private Kuwait group has provided capital and the public sector India Tourism Development Corporation is providing expertise.

Two extremely energetic diplomats have helped in bringing the two countries closer together--Isa Abd al-Rahman, Al-Isa, the Kuwait ambassador to India, and J. S. Chatwal, the Indian ambassador in Kuwait.

CSO: 4820

RECORD NUMBER OF WORK PERMITS ISSUED IN 1980

Kuwait AL-QABAS in Arabic 23 Jan 81 p 3

[Text] Responsible agencies in the Ministry of Social Affairs and Labor have reported that a record number of work permits was issued last year compared to the same figures for the past 5 years--particularly for 1977, during which the greatest influx of labor into Kuwait took place. The supply of workers added to the labor force was approximately 270 percent relative to cases of final departure.

The agencies said that the administrative organization of the ministry responsible for employment has succeeded through its years of experience and earnest effort in connection with the Kuwaiti labor market in determining the nature of this market and the effects that have resulted from its efforts as an official organization. The organization has done everything in its power to provide the best types of manpower available to meet the needs of the country in its various activities.

Statistics issued by the Ministry of Social Affairs revealed that more than half of the workers arriving in the country for the first time were under the age of 32.

The statistics also indicated that the age distribution was similar for cases of final revocation and departure and cases of work permits issued for the first time. This is because a majority of those leaving permanently are construction workers. Cases of final revocation and departure in the sector of production workers trades was in some cases up to 80.5 percent in contrast to the 85.2-percent figure for 1979. On the other hand, construction workers leaving the country permanently in 1980 constituted 66.4 percent of all cases of final revocation and departure as opposed to the 73.4-percent figure for this group in 1979.

Departing Females Constitute 0.6 Percent

Women leaving the country permanently during the months of May, August and September of 1980 constituted 0.6 percent of all workers departing permanently. Women issued work permits for the first time constituted 3 percent of the total in this category.

An analytical reading of the ministry's statistics reveals a similar percentage of married men in cases of individuals arriving for the first time and cases of individuals leaving permanently, noting that most departing individuals consist of workers who have recently arrived in the country.

Similar percentages of married men were also observed in cases of renewal and cases of revocation and transfer within the domestic sector. Most of these individuals have spent long periods of time in the labor market.

Higher Wages in Renewal Cases

The statistics of the Ministry of Social Affairs and Labor also indicate that most cases of revocation and transfer within the domestic sector had wages in excess of 200 dinars per month, while the percentage earning this rate of pay declines for the categories of first-time arrivals and final departures. On the other hand, it was noted that the percentage of wage rates under 100 dinars per month in each of the aforementioned cases supports the trend anticipated by ministry officials since this percentage is lower in cases of revocation and transfer within the domestic sector--as well as in cases of renewal--compared to cases of first-time arrivals and final departures.

The percentage of married individuals was 49.7 percent among individuals arriving for the first time, 60.8 percent among cases of renewal, 64.8 percent among cases of revocation and transfer within the domestic sector, and 45.8 percent among cases of final revocation and departure. The percentage of individuals receiving monthly wages of 200 dinars was 16.2 percent among all cases of revocation and transfer, 22.3 percent in cases of renewal, and 15.3 percent among individuals arriving in the country for the first time.

This figure was 12.4 percent among cases of final revocation and departure. An analytical reading of the data also reveals that the employment efforts for the past year added new labor to the labor market in all categories of economic activity. One fact which stands out is that cases of final revocation and departure included almost all nationalities. Similarly, the effective increase included people from all nations with which the Kuwaiti labor market has dealings.

This effective increase was distributed among the various trades and specialties. This reflects the true nature of the labor market, which is characterized by the fact that the demand for new labor during the current period is diversified and comprehensive in all trades and specialties, particularly in the production workers group. If this is an indication of anything, it is an indication of the comprehensiveness of development in the various aspects of life and work.

8591
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EXPECTATION FROM REAGAN ADMINISTRATION DISCUSSED

Paris AL-NAHA AL-'ARABI WA AL-DUWALI in Arabic 2-8 Feb 81 p 18

[Article by Emil Khuri: "Acting Through Friends and the Friendships of Friends, Lebanon Wavers Between Waiting and Not Waiting for a Settlement by Reagan"]

[Text] What does Lebanon expect from the new American Administration and will it have better luck with President Reagan than it had with President Carter? Some say that as long as the American policy toward Israel is the same, there should be no difference between a Democratic Party that loses the presidency and a Republican Party that wins it. Lebanon's salvation, they say, lies in the establishment of a Palestinian state and not through a resettlement [of the Palestinians] which the Camp David accords have engineered to please Israel and serve its interests and security.

There is nothing thus far that indicates that the Reagan Administration intends to abandon those accords and accept the establishment of a Palestinian state. But the peace that the Arabs would accept is one which is predicated on an Israeli withdrawal from all occupied Arab territories. There is no indication that Israel is willing to withdraw, especially since it has annexed Jerusalem to its territory and may yet annex the Golan heights. The new American Administration does not seem to be against that Israeli behavior, since President Reagan himself had once announced that he supports a unified Jerusalem as the capital of Israel.

The plot against Lebanon and the planning of the wars and troubles that raked Lebanon were done when the Republican Party was in power. The question is whether the chapters of this conspiracy will end with the return of the Republican Party to power in favor of the Arabs and the legitimate Palestinian right.

Lebanon and the New Administration

President Sarkis had not made a move during the term of President Carter because he probably believed that he would not change the designs that were drawn up during the presidency of his predecessor, or because President Carter did not invite him to visit Washington and discuss the Lebanese crisis with him. When President Sarkis expressed a desire to make such a visit, President Carter did not permit him adequate time to discuss the crisis. President Sarkis then stopped insisting on requesting a visit to the United States after he ascertained that President Carter could not devise a solution of the Lebanese crisis except within the framework of the Camp

David accords which are rejected by Lebanon and that the visit would therefore be inconclusive.

Views now differ about the new American administration and on whether its goals, and not just its style, are different from those of the previous administration-- enough to prompt President Sarkis to decide to visit Washington and to make that visit a worthwhile and useful effort. Sources close to the B'abda Palace say that President Sarkis has initiated contacts to probe the directions of the new American Administration and its orientations with regard to the Middle East crisis, in general, and the Lebanese crisis, in particular. To obtain adequate and conclusive information, he is using political and non-political, official and unofficial channels. He has already begun receiving preliminary information about the tendencies of the new American Administration and information on whether it intends to settle the Middle East crisis as a first order of business, and whether such a settlement will be based on fair and just solutions.

Americans of Lebanese Descent

President Sarkis has received for that purpose an American figure of Lebanese origin who wields influence with President Reagan and his advisers. That figure is [William] Baroody. Other American personalities of Lebanese descent are expected to visit Lebanon too and meet with President Sarkis to give him a true picture of the orientations of the new Administration and tell him what they can do for Lebanon and what kind of assistance they can provide to serve the cause of Lebanon.

The same sources say that President Sarkis will ask persons who are close to President Reagan, including some influential Lebanese Americans, to pave the way for a successful visit by him to Lebanon, provided that an invitation is extended to him.

While President Sarkis does not want to visit Washington if his visit is not going to be successful and lead to guaranteed results, some of those in his inner circle are advising him to visit Washington and talk to President Reagan regardless of what the result may be. For by so doing, he would be carrying out his duty to his homeland and putting his conscience at ease. If the visit was not useful, it would not be harmful.

Some persons who are in contact with President Sarkis, both foreign diplomats and local politicians, are trying to gain an insight into his own concept of the solutions that would rescue Lebanon and extricate it from its predicament, hoping that if he presented such solutions to heads of friendly states in a tour, the heads of state would find such solutions acceptable and would thus support them.

President Sarkis is clear on the kind of solutions that he envisages. He tells inquiring visitors that he supports any solution that would re-establish the unity of Lebanon's soil, people and institutions, secure the establishment of the state's complete sovereignty over all of Lebanon and preserve Lebanon's entity, independence and internationally recognized borders.

Its Own Friendships and the Friendships of Friends

Whatever its attitudes with regard to the Middle East crisis and the Lebanese problem, the new American Administration will hold the attention of the Lebanese government. The regime is already trying to recruit its friends and utilize the friendships of its friends to intercede with the new American Administration for the sake of finding an early solution for the Lebanese crisis which Lebanon is no longer able to bear. If a settlement is not devised during the term of President Reagan, then Lebanon will enter the phase of disintegration whereby the present partitions will be perpetuated and it would become impossible to restore the unity of Lebanon's people, soil and institutions.

Will a solution be devised by President Reagan? Some people say that Lebanon should not be overly optimistic over the inauguration of President Reagan and should not depend on him or on the Lebanese American businessmen who are associated with Reagan and have a certain influence on his policies. They say that President Reagan might just leave the Lebanese crisis untouched until it finds its own solution. They also say that salvation ultimately lies in the hands of the Lebanese people, but that moves have also to be made in order to make use of the potentialities that Lebanon commands in many places.

Others say that Lebanon should mobilize the full range of its foreign relations and utilize the asset represented by its expatriate sons--Americans of Lebanese descent--to influence the White House, so that Lebanon will gain a share of attention when the new American Administration begins to set forth the outlines of its Middle East policy and moves its pointer all across the map of the Middle East. They argue that one has to be in the marketplace to be able to sell and buy.

Lebanon can play a role not only to rescue itself but also salvage all the Arabs if it knew how to re-establish itself as a link between the Levant and the West.

9254

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NEW ARMY ORGANIZATION DECREE ANALYZED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 2-8 Feb 81 pp 14, 17

[Article by Rafiq Shalala: "The Regime Offers a Key to Reconciliation in the Form of an Army Organization Decree; The Battle Now Is in the Court of the Disputing Parties"]

[Text] After having been rocked by turmoil since its formation 3 months ago, due to successive "estrangements" which it has occasionally managed to overcome, but not thanks to its own efforts, the government of Premier Shafiq al-Wazzan last week took an important step towards solidifying its power base.

Perhaps the government's latest accomplishment--the issuance of an army organization decree and agreement to push through the promotion of 124 officers--comes at a time when the new government is searching for an identity and seeking to define its future course, in order to affirm that it is tackling the tough issues that others have failed to face and devising solutions which make it more than just a "business handling" government, as it was meant to be--a government that lays down the foundations of national reconciliation and paves the way for an all-Lebanese reunion. The government of Premier Salim al-Huss had frozen the 124 promotions because some of the officers concerned were called "symbols of the war."

Despite the fact that the reactions of the various political parties to the issuance of the army organization decree and the two decrees of promotions were not negative or sharp, political circles in Beirut believe that, after today, the regime will not be able to take a weak stand in the face of attempts to harm the army or restrict its effectiveness, especially since those who objected to the army playing a security role in Lebanon armed themselves with the pretext that the army should be organized by decree and that the functions of its major components should be defined.

Looking back, we can see that the question of the army was, from the very first day of the presidency of Ilyas Sarkis, the main source of controversy and the focus of all disputes and disagreements. The question of the army was also the cause of the downfall of the Salim al-Huss government. In the light of that, the birth of the new Defense Law in March 1979 seems to have been begotten by a Cesarean. That also goes for the Army Organization Decree--the last executive decree of that law--which saw the light only 1 year, 9 months and 22 days after the enactment of the law. It is hoped that the decree will put an end to the controversy which arose over the powers and jurisdictions of the Army Commander and the role of the Directorate of Intelligence.

What's in the new decree? A quick reading of the law's 11 chapters and 38 articles shows that its most important aspect is that it directly links the Directorate of Intelligence (d-2) to the Army Commander, entrusts it with the responsibility of looking after army security not national security, as in the past, and confines its role to the task of exploring dangers that jeopardize army security, proposing solutions to ward off those dangers and organizing and managing the informational apparatus which is designed to achieve that purpose. That includes the gathering of all kinds of strategic information and data related to military plans and operations, the strategic probing of the enemy, its goals, combat ideology, organization and military capacity and the taking of measures designed to combat espionage and subversion involving army security.

The draft of the decree gave the Directorate of Intelligence the right to implement such measures, but the word "implement" was deleted in the last moment to prevent any intentional or unintentional misinterpretation of those measures. Those who know say that the deletion of that word was done to preempt any attempt by the Directorate of Intelligence or its leaders to interfere in political or social affairs at a later date, since the "implementation" of those measures would involve the civilian aspects as well as the military aspects of a particular case or issue.

It is noticeable that the tasks assigned to the Directorate of Intelligence do not entitle it to investigate political and economic matters, although the directorate used to undertake such investigation in the past on the strength of the task of the National Security Agency. The assumption was that the word "national" was all-inclusive.

The new decree has strengthened the role of the Chief of Staff by attaching to his office the Directorate of Financial and Judicial Affairs and the Directorate of Rehabilitation. These two directorates were established as a result of the consolidation and merger of 18 original directorates. The decree also requires the Directorate of Intelligence to provide the Chief of Staff with all the information available to it. It also gives him the right to be informed about the activities of the Directorate of Moral Guidance which is normally attached to the office of the Army Commander.

Thus the new decree has given the Chief of Staff a role which he never had under previous laws and the right to be acquainted with the activities of the two directorates that are associated with the Army Commander. In so doing, the decree has made the role of the Chief of Staff almost approximate to that of the Army Commander, even if only at the level of access to information.

By way of confirming the elevation of the Chief of Staff's role, the present occupant of that position, Staff Brig Gen Munir Turbiyah, was promoted to the rank of Maj Gen--the highest rank in the army after that of general which is exclusively reserved for the Army Commander.

Three "Heads"

Minutes before the enactment of the decree, the government deleted some of the provisions which somewhat diminish the jurisdictions of the other major agencies and departments in the Ministry of Defense, prominently the General Inspection Office, The General Defense Secretariat and the General Directorate of Administration.

Although the new decree did not spell out in detail the powers and functions of the Army Commander, Article 26 of the Defense Law, which was passed after a big furor and a lot of pulling and pushing, also reduces the jurisdictions which belonged to the Army Commander and confines his functions and tasks to strictly military matters. It strips him of administrative affairs for which a special directorate has been established under the stewardship of Staff Brig Gen Zayn Makki (a Shi'ite), inspection affairs which has become a separate office (presently headed by Staff Brig Gen Yusuf Wahbih, an Orthodox) and budgetary affairs (which are now directed by Brig Gen Haykal Ma'karun, a Catholic). In addition, a new office has been devised under the name of the Secretariat General of the Higher Defense Council and directly attached to the office of the Prime Minister (it is presently headed by Staff Brig Gen Nabil Quraytim (a Sunni).

And so the Army Commander has been stripped of many of the powers which had made him the only "head" in the army. Now, there are three "heads" who, with the Commander and two other officers, form the "military council" which deals with matters related to the army and to all the establishments of the Ministry of Defense. Some politicians have described that council as something akin to a "communal council" in view of its balanced sectarian makeup.

All these considerations failed to satisfy those who are opposed to the army taking on security responsibilities. They raised a new "problem" represented by the role of the Directorate of Intelligence (presently headed by Lt Col Johnny 'Abdu), and adhered to their position until the directorate was stripped of the new jurisdictions of dealing with national security and its functions were confined to military security, on the grounds that the directorate should be kept clear of politics and politicians--the two elements which have harmed the army.

The Balancing "Deal"

Those who have attended the birth of the new decree and followed the negotiations which were involved in it, including ministers, politicians and friends of all parties, speak of a formula of equilibrium which was adopted as a means of insuring the final endorsement and implementation of the decree. They say that the formula smacks of politics. Some leftist newspapers called the formula "a balancing deal." They also say that the dispute which emerged between President Sarkis and his friend, Premier al-Huss, about a year ago, centered on the Army Organization Decree and was responsible for the delay in the enactment of the decree. As these observers tell it, the dispute resulted from the president's adamant refusal to make concessions on the question of the army because of the sensitivity of the issue and the importance which the regime attaches to the army, and insisted on maintaining an effective role for the Directorate of Intelligence on the level of national security. Al-Huss, on the other hand, felt that such a role belonged to the public security authorities which are primarily responsible for the security of the country and the people. When President Sarkis insisted on his position, al-Huss expressed his opposition to that by hampering the issuance of the two decrees providing for the promotion of 124 officers in 1981, on the grounds that some 50 officers among them were "symbols of war" who have been accused of committing actions during the 2-year war that were not commensurate with their military honor. Among them were officers who fought on the side of the "Lebanese Front," the "national movement" or "the Lebanese Arab Army."

Those who have followed that phase of the secret struggle between the president and the prime minister recalled the phases which were interrupted by the issuance of the promotion decrees, and remembered how Premier al-Huss returned them twice for more "deliberation" after having been signed by the minister of defense. It was that incident which convinced President Sarkis that cooperation with Premier al-Huss was out of the question.

When President Sarkis commissioned Shafiq al-Wazzan to form a new government, he knew that there was a certain price which he had to pay, or a scapegoat which had to be sacrificed, in order for the new government to survive. So he acceded to the Army Organization Decree.

The same observers add that Damascus entered the fray over the question of the army. Its position was made clear by TISHRIN on the day on which Premier al-Huss went to the Syrian capital for talks with officials there on the political, security and military situation. On that day, the semi-official newspaper published a full-page article by a military officer on the dispute among Lebanese officials over the organization of the army. The study focused on two issues--it called for restricting the activities of the Directorate of Intelligence to military security and for strengthening the powers and jurisdictions of the Chief of Staff.

That day Lebanese officials realized that any reorganization of the army should take into consideration the Syrian point of view, which at the time was favorable to the theory of Premier al-Huss. And so work began to prepare a new formulation of the decree, but it was decided that Premier al-Huss should not be the beneficiary.

To complement the balancing act in such a manner that would insure that there will be no winners or losers, as in the 6-6 formula which is summed up by the word "charter," the 1980 promotion decree was revived. "Chance" will have it that the Army Organization Decree came out at the same time that the promotion decrees were released, so that there were no winners or losers. This time the views of President Sarkis and Premier al-Wazzan coincided after they agreed on this formula at the third working session which they held following the formation of the new government. On that day Premier al-Wazzan emerged from the meeting to announce that there had been "agreement on all matters" and to carry to the Lebanese people the glad tidings that there will soon be agreement on the question of the army. The events of 'Ayn al-Rummanah, the army's attitude toward them and the talk that was going around about the responsibility of senior officers toward these events contributed to expediting the settlement of the army question because the indefinite continuation of that problem would further complicate matters and preclude quick solutions. Events proceeded swiftly in a contradictory, but seemingly calculated, manner. After the army moved out of 'Ayn al-Rummanah and Furn al-Shubbak, penalties were taken against some senior officers, especially the Army Commander. But then the regular forces returned to the same two areas before the end of last year, and from that day on the countdown for the issuance of the decree began.

Al-Wazzan's visit to Damascus and the various issues he discussed there, including the question of the army, helped to bring views closer together and to bring about a quick solution.

That solution came into being last week. The organizational decree was issued together with the two promotion decrees, in the hope that the army file would be closed and put away, as Premier al-Wazzan said after the cabinet meeting which was described by the official media as a "historic" one.

Black Thread and White Thread

Will al-Wazzan's wish come true and the army file be closed, or will the issuance of the decree and what followed that open a new file? Official sources are talking about positive developments which will take place in Lebanon with regard to the future role of the army which now has 2,769 officers and 43,511 other ranks. These sources add that the latest "accomplishments" on the level of the army have placed all concerned before their responsibilities. Those who have demanded that the organizational decree be issued and the role of the Directorate of Intelligence be restricted before they can accept an active and effective role for the army in the Lebanese arena, were given what they wanted. And those who emphasized the need to push through the promotion of officers, especially those who were dubbed "symbols of the war," on the grounds that they have contributed--according to their own views and concepts--to defending legitimacy during the 2-year war, were given what they wanted. Both groups could do nothing, therefore, but accept an "effective, national and balanced" role for the army, because all the arguments which they have trotted out in the past and used to justify their refusal have become invalid and because all the cards which they held in their hands have been blown away for good. Their acceptance would mean permitting the army to redeploy its units in east and west Beirut and along the dividing lines, so that the "Arab Deterrent Force" (ADF) may be relieved, relatively speaking, and so that the Arab states, which expressed reservations at the meeting of the Arab League Council in Tunis about renewing the mandate of the ADF and threatened that the new mandate is the last, would have their wish.

But if this or that side refused to accept that role and produced new arguments and pretexts, its attitude will clearly show that its opposition was not due to a matter of principle but to hearts full of pique and an overriding desire to arrogate things for themselves. They would thereby gain dominance and would persist in the refusal to relinquish the cards which they hold in their hands in the interest of legitimacy and the state because they want to build their own state and their own legitimacy. It would then be possible to tell the black thread from the white one and sort out positions and orientations. Furthermore, the various goals and identifications would become clear. According to sources close to the regime, the importance of the position of Damascus becomes clear, since Damascus would have, in the next phase, to help make it easier for the regime to persuade the objectors in the "National Movement" and the Palestinian resistance to agree to assigning new tasks and responsibilities to the army. The regime will have to persuade the "Lebanese Front" to facilitate the deployment of the army.

The days to come are full of surprises. The regime has played the army card which is the key to reconciliation, as some say. What has to be done is to insure that the army card is not a losing card. This is where positions will become clear.

Because what is in the heart is more important than what is on paper, the regime will conduct a new test to find out : : what extent the various parties will adapt

and respond to its moves. That test will involve informing those concerned that there will be a limited deployment of the army (to be completed before mid-February) in a section of the western sector of Beirut. Informed circles speak of a deployment plan that would cover the area from the Fu'ad Shihab Street to Al-Hamra area, so that the army would take over the road linking the eastern and western sectors of the city and such official institutions as the Radio and Television Authority and the Bank of Lebanon. The assumption is that deployment in the marketplaces is not near and that a limited deployment would pave the way for a wider one if it works. If the deployment found a good response, the test would have been successful. But if it fell on deaf ears, the parties concerned will have made their intentions clear and the bet on the rejectionist parties and the local, Arab or regional circles which influence them will have lost.

9254

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DETAILS OF GULF COOPERATION COUNCIL DISCUSSED

London 8 DAYS in English 14 Mar 81 pp 6-13

[Text]

Foreign ministers of 'The Six' — the new Gulf Cooperation Council — sat together in Muscat this week to approve the council's constitutions and to begin planning how to harmonise future policy and strategies in a wide range of economic and social fields. The six countries of the western Gulf — Saudi Arabia, Oman, Kuwait, the UAE, Qatar and Bahrain — aim at a unity based on economic cooperation, along the lines of the EEC. The Gulf Six also intend to pool their resources to ensure internal stability. This week 8 Days looks at the politics of Gulf cooperation, and PAUL BARKER examines the Gulf countries' track record, and their prospects for the coming decades.

AS CROWN Prince Fahd explained the GCC's mechanics to reporters recently, the chairmanship of its Higher Council (comprised of heads of member states) will be held on a strict rota basis. The Higher Council will hold two ordinary sessions per year, but any member may request an emergency session. The heads of state will draw up the Council's policy guidelines. They will also debate the recommendations, laws, and regulations submitted to it by the Ministerial Council and the General Secretariat.

The Ministerial Council of members' foreign ministers will prepare such submissions for Higher Council meetings. The GCC will also have an Arbitration Commission to settle internal disputes, and a General Secretariat to prepare studies periodic reports, budgets, draft laws and regulations.

In form, the GCC borrows from the Arab League the idea of foreign ministerial meetings to precede heads-of-state assemblies, and possibly the idea of a permanent secretariat along the lines of the Arab League's Tunis headquarters. From Opec the GCC could be said to borrow the idea of biannual meetings and the provision for extraordinary sessions.

In some ways the GCC seems to resemble the EEC. However, while the idea of greater security and stability through economic and political cooperation is central to both organisations, the GCC cannot hope — nor indeed would it wish — to rival the complexities of the EEC. Nor is it likely to nurture a parliamentary tradition like that carried on by the Europeans in Strasbourg.

Like some other groupings of "southern" countries like Asean or the Andean Pact, the GCC will try to develop a degree of economic self-sufficiency by providing secure markets for its new industrial schemes. Thus it will seek to break old and highly vulnerable trade patterns — under which these countries merely sell their one or two primary products (in the case of GCC, crude oil and gas) to the industrialised world in exchange for imports of finished goods.

STRONG TALK in Washington about a Rapid Deployment Force being aimed first at the Gulf has put more political ginger into the Gulf countries' race to coordinate their economic and political development. They want to get started on serious planning before the big battalions come cruising in to interfere, provoke Moscow reaction, and distort the local leaders' perceptions of what their own priorities are — in both security and economic progress.

There was some pressure from local public opinion to include the Anglo-American tough talk on the agenda of this week's Muscat meeting of the six GCC foreign ministers. The UAE daily *Al-Fajr* called for a discussion of the danger of 'a new hegemony' being imposed in the area under the pretext of protection by the Rapid Deployment Force.

The smaller states of the western Gulf, joined by Saudi Arabia as the big Gulf power in the council, run through a spectrum of political attitudes. They range from Kuwait's cautious dealings with both eastern and western blocs to Oman's readiness to give staging facilities to US forces.

Although there have been reports of bilateral security arrangements concluded within the region, preceding any future plans of the Six to pool their internal security resources, the GCC may be only an embryo of a wider grouping. This could one day include some of their neighbours such as Iraq — though this is not yet on either Iraq's, or the council's, agenda. Even North Yemen may be put forward as a possible future member of a wider grouping of Arabian Peninsula countries.

The challenge now as the Six see it, however, is to get down to the business of economic coordination.

Experts from Saudi Arabia, Kuwait, the U.A.E., Qatar, Bahrain and Oman first met in Bahram last month to prepare a constitution for the council, which was set up in Riyadh by their foreign ministers on 4 February after the Taif summit. They met in Muscat last week to prepare final recommendations for the foreign ministers who gathered in the Omani capital on Monday.

The main aim of the six states — which together produce a quarter of all the oil used in the non-communist world — is to develop the grouping along the lines of the EEC.

The leaders are determined to start by trying to harmonise activities in transport, customs, education, labour policy, and pollution control. In the past, separate economic policies have led to duplication in big industrial projects and to problems in the coordination of fiscal, labour and other strategies.

THE FEBRUARY declaration of the formation of the Gulf Cooperation Council (GCC) by Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE and Oman is the latest and most significant of the numerous attempts made since 1973 to forge a supra-national entity in the Gulf. Some of these historic steps towards closer cooperation are listed on page 8.

The GCC envisages the highest level of commitment to Gulf cooperation. There will be biannual meetings of the heads of state, regular meetings of the foreign ministers, and a permanent secretariat in Riyadh. In seeking to improve links in all aspects of economic and social life, the GCC's birth should also put a timely end to the visionary dash to modernisation that characterised Gulf development in the 1970s and usher in a period of consolidation — with all its concomitant social benefits.

Crown Prince Fahd of Saudi Arabia recently told reporters that the GCC is not to be a new grouping or axis, and that it was not aimed at anybody. 'It is a step intended for the good of these countries and their people, and to achieve as much progress, strength and stability as possible within the framework of the Arab League and its charter.'

As far as economic integration is concerned, it has been argued that any arrangement in the Gulf stands a better chance of success than the other groupings with which it is probably best compared — like those fostered by the UN-sponsored Economic Cooperation Among Developing Countries movement, such as the Andes Pact or Southeast Asia's Asean.

Besides their obvious wealth, Gulf states have a vital advantage in that the national pressures for job creation that have often scuppered Asean's integration dreams do not affect them. In fact the very opposite is true, for one of Gulf cooperation's main attractions is that it will reduce the regional demand for expatriate workers.

The following quotations from recent Gulf studies clearly emphasise the link between further economic cooperation and the avoidance of political upheaval: 'The first experience of working economic cooperation in the Gulf will be very important for the stability of the region,' says the first. 'It would do much to undercut the national rivalries that have been enflamed by western exporters since the 1973 oil price rise.'

'It could create a modern industrial bureaucracy whose feelings of blind nationalism were subsumed in the demands of economic rationalism. Most importantly, it could also create a social class standing between autocracy and chaos and filling the power vacuum left by the Shah in Iran.

The second paper also sees local rivalries as the greatest threat. 'The priority in coordination must lie in creating, through centralised development planning, a productive base suitable for the long-term interests of the regions. This would inevitably involve some limitation of existing state sovereignties. Individual states could not retain the option of developing economic structures which compete with, rather than complement, existing economic structures in the region.

While it is not always apparent in the rhetoric of local politicians that rivalries are the big problem, is it not true that the strength of the EEC — and the secret of its security — lies in the fact that previously warring partners like Germany and France are now in alliance, and can command the respect of potential aggressors?

A fully functioning GCC could well generate a respect in the eyes of the world for the 'Gulf states' development and diversification wishes. It may also install a discipline in the use of capital that was often missing in the years of hectic development — much to the chagrin of important sectors of the population within the Gulf states themselves.

Crown Prince Fahd, indicating the scope of the GCC, enumerated the fields in which ties will be developed: economic, financial, educational, cultural, social, health, communications (of various kinds), information, passports, travel, customs, shipping and law. He also stressed that there is already much cooperation in those fields, and this is undoubtedly true. Some of the organisations developed since 1973 are listed here, while the prestige industrial cooperation ventures are now well known.

The latest of these major ventures are the Gulf Aluminium Rolling Mill Company (Garmino) for which six Arab Gulf states — including Iraq, but with the noticeable absence of the UAE — signed a joint venture agreement on 10 February, and the proposals for a fourth oil refinery to be built at Yanbu using funds from several Gulf countries.

Other joint industrial ventures include:

- The Saudi Kuwait and Saudi Bahrain Cement companies, the latter of which now has an installed capacity of 1,500 tonnes a day, following tests on the first kiln this year.

- The Aluminium Bahrain (Alba) plant, in which the Saudi Arabian Basic Industries Corporation (Sabic) took a 20 per cent stake rather than develop its own capacity in Jubail and which is considering further capacity expansion.

- The Sitra methanol ammonia project, which is to be built in Bahrain with the Bahrain National Oil Company (Banoco), Kuwait's Petrochemical Industries Corporation (PIC) and Sabic as shareholders.

- The Arab Iron and Steel Company (AISC), which is also to be sited in Bahrain and which will feed iron pellets to the various steel plants around the Gulf.

Another form of industrial cooperation is the agreement reached between Bahrain and the Saudi state oil agency Petromin. Under the arrangement, Petromin will sell 100,000 b/d of crude direct to the Bahrain Petroleum Company, which by nationalising its refinery has forfeited secure supplies of Aramco crude stemming from the 60 per cent share in the refinery held by Socal and Texaco.

In the area of finance there is already the Gulf International Bank (GIB), with its transnational ownership, the Arab War Risks Syndicate, the Arab Reinsurance Group (Ariq), and the numerous banks which have set up JOBUs in Bahrain to serve the Saudi market.

In education, it is again Bahrain that serves as the centre of Gulf cooperation, with the planned university for nationals of all the GCC states. The institution will have a special bias towards vocational training in specialised areas where there would not be sufficient demand on a national single-campus basis. Ras al Khaimah is the focus of regional interlinking in the health field, with a pharmaceuticals factory endorsed by the health ministers as a pan-Gulf industry.

Cooperation on the communications and information front is seen in the various specialised schools in television technology which were established along the Gulf to avoid duplication, and in the Gulf News Agency (GNA). In travel, the internationally recognised Gulf Air, the Arab Air Carriers Organisation (AACO) — as well as the imminent announcement of a contractor for the Saudi Bahrain causeway — all evidence a level of supra-national thinking.

Moreover, there is already in the United Arab Shipping Company (UASC) (jointly owned by Iraq, Saudi Arabia, Kuwait, Qatar, Bahrain, and the UAE), which has

“The attempts to create a Gulf dinar during the 1970s illustrates some of the problems of forging economic integration. Significant progress was made towards creating a Gulf dinar to unite Bahrain, UAE, Kuwait and Qatar . . . there was also a chance of introducing a Gulf currency snake. All hopes of success were dashed, however, when the other three Gulf states expressed an interest in joining and small difficulties became multiplied . . .”

just announced plans to buy a further six container ships. There is, too, a fair degree of freedom of movement and tariff-free trade that the GCC secretariat will only have to consolidate.

Mere listings of these areas, however, do not give a true impression of the thrust — and the logic — behind the drive towards further Gulf cooperation. To understand the real significance of something that could do more than national elections to answer the muted demands of the population for more control over their own development and less arbitrariness in the spending of oil revenues, it is instructive to look at the structure of a few projects — and to evaluate the relationship between these enterprises, local governments, and the private sector.

The proponents of integrated Gulf projects are apparently very happy to face this confidence test from private local enterprise. Dr Ghazi al Gosaibi, the Saudi industry minister, announced only last year that citizens from all the Gulf states will be invited to subscribe when shares in Sabic are put on public offer. Thus at one stroke all of Saudi Arabia's seven petrochemical plants will be transformed into Gulf projects, and Gosaibi is clearly confident that the projects will be seen as efficiently and profitably run enterprises.

Joint banks like GIB, and the development of a Gulf capital market, have produced a number of trained Arab Gulf technicians who are as proficient in their jobs as any other bankers or brokers in the world. As yet, however, these people are fairly widely scattered, and concentrating human resources makes just as much sense as avoiding project duplication.

There is also the thought that, if joint projects are to be set up, joint banks can be an essential back-up. A project's initial capital is much safer paid up and deposited in an account at a joint bank than technically allocated in separate states' budgets — and often less than readily available when required.

While economic integration does require

a decentralisation of money movement in the area and greater public accountability over investments, the role of individual governments in assuring that joint projects are also in their individual interests is equally vital.

The attempts to create a Gulf dinar during the 1970s illustrates some of the problems of forging economic integration. A starting point for cooperation and the search for a common currency was the fact that, before independence, the littoral states had all used the Indian rupee.

Significant progress was made towards creating a Gulf dinar to unite Bahrain, UAE, Kuwait and Qatar. The Bahrain dinar was to equal a Gulf dinar, with all the other currencies falling into line. There were several other problems, however, whether to link the dinar to the IMF's Special Drawing Right (SDR), or to the dollar, for example. Moreover, the Bahraini tendency to undervalue its currency (to reduce the cost of living index for firms setting up in Manama), as against the UAE's and Qatar's marginal overvaluation of theirs (to help local importers), had to be accommodated.

There was also a chance of introducing a Gulf snake, with currencies allowed to fluctuate within 5 per cent margins. All hopes of success were dashed, however, when the other three Gulf states expressed an interest in joining and small difficulties became multiplied. The real problem was that while the original four states' economies are similar, those of Saudi Arabia, Iraq and Oman differ.

Thus, over the past two years, Bahrain and Kuwait have been in conflict over currencies. Kuwait accuses the Bahrain OBUs of stealing Kuwaiti dinar business and creating local liquidity shortages, while Bahrain accuses Kuwait's merchants of creating havoc in Manama banks in their rush for exempt company public subscription allocations.

This currency conflict holds a lesson. The Gulf's history bristles with examples of dynastic rivalry and border wars and disputes, and these things are unlikely to fade away overnight. The absence of Iraq from the GCC — if it is not simply because of preoccupation with the Gulf war — is worrying.

It seems unlikely, for instance, that the Council will effect any great degree of military cooperation, or movement towards rationalising the states' defence expenditures, under the guidelines of a joint command force. But economic integration and progress towards defining the Arab Gulf as a more self-sufficient entity is in many ways more important.

It will, for example, help answer the charge — heard from increasingly vocal internal critics — that economic expansion in the Gulf is not necessarily development, and that some forms of 'expansion' seen have undoubtedly harmed long-term prospects in the economies and societies concerned. By reducing the number of projects and expatriate workers needed for them, it will also allay the fear that these large pockets of aliens are the single most destabilising factor in many of the states.

CSO: 4820

BRITAIN STRIVES FOR GREATER SHARE OF GULF MARKETS

Paris AN-NAHAR ARAB REPORT & MEMO in English 16 Feb 81 pp 7, 8

[Text]

Britain is mounting a fresh effort to increase its share of Gulf markets, with a tour by members of Britain's Overseas Trade Board to four Arab Gulf countries. The visit by the Duke of Kent to Kuwait, Bahrain, Qatar and the UAE was remarkable because it included no businessmen in the accompanying party. The idea of the mission was to encourage informal tête-à-tête discussions between the Duke, who is Vice-Chairman of the Board, and local officials in the Gulf.

The Duke's royal status — he is Queen Elizabeth's first cousin — was to prove no hindrance. "There is quite a lot of sense in rolling out someone who is like them," as one British official commented on the planned talks between the Duke and the Gulf's rulers.

Britain has certainly hard work to do if it is to increase its share of the Gulf import market. According to provisional figures, Britain in 1980 exported goods worth £ 258.7 million (\$602.77 million at today's exchange rates) to Kuwait, up from £ 233.4 million (\$543.82 million) in 1979. British exports to Bahrain in 1980 totalled £ 115.6 million (\$269.35 million) against £ 123 million (\$286.59 million) a year earlier. Qatar bought £ 101.9 million (\$237.43 million) worth of British goods last year, an insignificant rise over the 1979 figure of £ 101.5 million (\$236.49 million). Britain sold the UAE goods worth £ 501.9 million (\$1,169.43 million) in 1980, against £ 488.2 million (\$1,137.51 million) in 1979.

With these trade levels, Britain represented 12.5 per cent of total OECD exports to Kuwait, 31 per cent for Bahrain, 21 per cent for Qatar and 23 per cent for the UAE.

These figures, however, do not tell the whole story. Trade with Abu Dhabi rose by £ 54.9 million (\$127.92 million) while that with Dubai slumped by £ 35.2 million (\$82 million). British officials suggest that these fluctuations, together with the decline in exports to Bahrain and only modest increases in trade elsewhere in the Gulf, may owe something to the state of Britain's trade with Iran.

Exports to Iran rose between 1979 and 1980 from £231.8 million (\$540 million) to £393.4 (\$916.62 million), apparently because various goods that were shipped to Iran via Arab Gulf ports before the EEC applied trade sanctions against Iran, were, after the imposition of sanctions, shipped to Iran by other routes.

Although the era of mammoth projects by the smaller Gulf states is drawing to a close, there are still substantial contracts to be won in the fields of downstream petrochemicals, desalination and industrial manufacturing. British exporters have their eyes on all of these, and are also peering themselves up to swelling the flow of consumer goods to an increasingly affluent population. Export growth areas also include construction and equipment of hospitals – a British speciality – leisure facilities, toys, sports equipment, and telecommunications.

The Duke of Kent's role during the recent tour was to establish the right atmosphere and identify the areas for export growth, with individual British firms following on later.

As for the major engineering and construction companies, British firms will be looking for contracts elsewhere in the Arab world, notably in Iraq, Saudi Arabia and Algeria, the three countries whose substantial populations mean their infrastructure still needs much development.

In Syria, meanwhile, British Ambassador Patrick Wright recently appealed to British firms to step up their exports to a country generally neglected by them. It might therefore be reasonably assumed that a visit earlier this month by Sir Ian Gilmour, the British Deputy Foreign Minister, would in some way be connected with Mr Wright's appeal, but it was not. There was no commercial representative accompanying Sir Ian on his tour of Jordan, Syria and Kuwait last week. Moreover, according to officials in London, Sir Ian's visit to Syria from February 4 to 6 was not scheduled to include commercial talks.

In his article for *British Business*, ... Wright outlines Syrian economic progress under the Assad administration. GNP has increased by 4.5 per cent in 1978, by 5 per cent in 1979 and possibly by a still higher figure in 1980, and this during an international recession, Mr Wright said.

But British trade with Syria remains low, although heavily weighted in Britain's favour. In 1978, Britain exported goods worth £58 million (\$135.14 million).

and in 1979 worth £ 66.7 million (\$155.41 million); the 1980 figure has been estimated at £ 81.6 million (\$190.13 million). These exports comprised mainly machinery, transport and telecommunications equipment and textiles.

Syrian exports to Britain were even lower, totalling only £ 4.3 million (\$10 million) in 1978, £ 7 million (\$16.31 million) in 1979 and £ 11.9 million (\$27.73 million) in 1980. These were made up for the most part of lentils, cotton and, perhaps surprisingly, aircraft engines and what the Syrians delightfully refer to as "parts of goods for balloons, airships and flying machines." The latter commodity netted Syria more than £ 500,000 (\$1.165 million) in 1979.

Mr Wright declared in his article that "the Syrian market has been much neglected by British industry in recent years." This is certainly true. But it is also true that better coordination between Britain's permanent envoys abroad and its roving envoys would certainly help to improve the situation.

CSO: 4820

PROGRESS OF GULF ORGANIZATION FOR INDUSTRIAL CONSULTING DISCUSSED

Doha AL-RAYAH in Arabic 4 Jan 81 p 3

[Interview with Dr 'Ali al-Khalaf, secretary-general of the Gulf Organization for Industrial Consulting, by Salih Zaytun; date and place of interview not given]

[Text] Dr 'Ali al-Khalaf Answers the Question: "At the Threshold of Its Fifth Year, What Has the Gulf Organization for Industrial Consultancy [GOIC] Given Us?"

We Are Building the Gulf Common Market "Bit by Bit."

We Are Proceeding in Accordance with the Theory "Do the Appropriate Thing at the Appropriate Time" in Our Movement Toward Gulf Integration.

There Is No Harm in the Duplication of Basic Industries Because the Market Is Capable of Absorbing [These Industries' Products].

In the Consumer Industries It Is Necessary to Establish Single Joint Enterprises.

We Have Accomplished a Pioneering Technological Achievement in the Region by Creating an Information Bank System.

When approval was given to the agreement to set up the GOIC, in February 1976, and when it was announced that this organization had been established, the GOIC was expected to play an important role in terms of coordinating industrial activities in the Gulf area. These industrial activities very evidently and surprisingly rapidly became part of life in the Gulf region because of the desire to invest capital surpluses from petroleum and its chemical by-products.

A number of heavy industries were established throughout the area, and many of them were of the same type. This fact was responsible for the appeal that was made for coordination between these industries, with the objective being to achieve economic integration in the Gulf region. The idea was that the GOIC

could share in playing this role. Perhaps by now, 4 years after its establishment, it could be said that this organization has clearly made substantial gains on the path toward achieving this goal. This is a goal which Dr 'Ali al-Khalaf, the secretary-general of the GOIC, says is being achieved in accordance with an established, gradual plan which is being implemented in a realistic manner.

We are now at the threshold of the GOIC's fifth year. The GOIC has reached maturity and it is now possible to say that it represents the initial framework for the establishment of a Gulf common market--something which His Highness the Prince of Qatar, Shaykh Khalifah Ibn Hamad Al Thani, has called for. Therefore the proper thing for us to do was to visit Dr al-Khalaf in order to review the work which has been done by his organization and to find out what the Gulf area requires in order to reach this lofty goal.

I began my interview with the secretary-general of the GOIC by bringing up the latest important event in the life of the GOIC. This was the meeting of the GOIC's council in Muscat in early December. The Gulf member states of the organization which were represented at the meeting were Qatar, the UAE, Saudi Arabia, Kuwait, Bahrain, Iraq, and Oman.

When discussing this meeting at the beginning of our interview, Dr al-Khalaf said that the council had approved an increase in the 1981 budget and had also passed a number of resolutions, the most important of which were the following:

1. Participation by the GOIC in activities concerning the fields of industrial studies and the industrial information bank for the year 1980.
2. Preparation of a plan for a general protocol agreement between the member states which will concern the organizational bases for setting up joint industrial enterprises.
3. Agreement to implement the joint sheet glass project in which all of the member states will participate.
4. Agreement to implement the joint fiber glass project and an appeal to those in the private sector of the member states, who are involved in this industry, to participate in this enterprise.

Dr al-Khalaf added that the GOIC's future plan, which begins in the year 1981, was the focal point of the meeting of the council which gave its approval to two different plans. One of these plans concerned industrial studies, and the other one concerned the work of the industrial information bank. In addition to this, the council approved the idea of preparing a project involving the organizing of training, study missions, and study grants which would benefit the people of the Gulf region.

Concerning the industrial studies plan, Dr al-Khalaf says that it includes a number of studies of joint projects which deal with the following fields: the production of (coal oil), aluminum, detergent soda, and baked bricks; a study of investment opportunities for establishing a finished aluminum

industry; a study of the matter of the desert encroachment which is threatening the industrial areas of some of the member states, cooperation with bodies and organizations concerned with finding appropriate solutions to this problem [of desert encroachment]; preparation and publishing of a series of outlines and studies concerning the industrial economy of each member state—along the lines of the study which has been prepared concerning Oman and Kuwait, and finally the preparation and publishing of a statistical booklet concerning joint Arab and Gulf enterprises as well as a booklet showing the incentives and framework of industrial development in the Gulf countries.

About the plan concerning the work of the industrial information bank, the secretary-general of the GOIC says that the GOIC council has given its approval to the assembly of economic and social information, information concerning industries in the Gulf area, and technological information, and has given its approval to the idea of making contacts with international information banks. Also, the GOIC council approves of the idea that the GOIC should undertake to cooperate with one of the member states in preparing to hold a meeting which would include the central statistical government agencies of all of the member states. The purpose of this meeting would be mutual consultation and the achievement of coordination in the various fields involved. The council also agreed to prepare a study concerning statistical systems and their application in the member states as well as another study concerning means of unifying the international classification systems used in them. Furthermore, the council gave its approval to a study concerning the project to link the member states to the computer which is located in the GOIC headquarters in Doha.

After talking about these meetings of the GOIC council in Muscat, our interview with Dr al-Khalaf, concerning the first 4 years of the GOIC's activity, touched upon the motives which the member states had for creating this organization and took up the subject of to what extent the organization was achieving its objectives. The GOIC secretary-general said: "At the beginning, the basic aim was to create something resembling an organization which would be concerned with the problems of coordination between industries, how to develop and organize such coordination, and would be concerned with the task of determining which organizations could be created to accomplish this and which projects were necessary for the future."

"We brought up for discussion the meaning and definition of coordination between industries, and we tried to discover what methods could be used by an organization, established for this purpose, to achieve its desired objective. There is no doubt that this necessitated a study of the actual political and economic situation and environment in the Gulf countries in order to determine which pattern of coordination between industries could be made applicable in practice."

"We had before us examples of a number of models and experiments which had previously been used in other areas of the world. For example, there was the pattern of the bloc of Latin American countries where various organizations have control over the cooperation between Latin American countries which takes place in each field individually. We saw that the Latin American countries have an organization which deals especially with the field of petrochemical production and has organized and planned the development of petrochemical industries in Latin America. This was done in accordance with politics and legislation which were agreed upon, and organizations have their own clear-cut jobs of studying which things can be incorporated into the region."

"The idea was created out of a vacuum. We kept in mind the fact that any joint Arab activity and any organization which deals with joint Arab activity would need a great deal of patience. However, we felt that the fact that the Gulf countries resemble each other was something which encouraged us to go ahead and select a model which could prove to be successful. But we did not overlook the basic fact that the ease with which coordination could be achieved in the field of education did not mean that it was so easy to achieve coordination in the realm of industry because in the case of the latter one is dealing with the economic side of life and this requires a great deal of time as well as clarity of vision and common sense. The chief objective which the GOIC can achieve is the building of this framework and the acceptance of the idea of having an organization which would coordinate industry."

[Question] After 4 years of existence, our organization still maintains its basic objective, which is that of attempting to prolong the life of the GOIC which is concerned with coordinating industries—if only in name. That is, our organization was not ambitious at first because it requires time and experience in order to gain confidence.

Yes, it did take effort on our part to create and consolidate this organization, and we did benefit from the experience of Western Europe, Eastern Europe, and the [other] Arab countries. Basically we are concerned with having our organization survive, and when we are secure in our existence we will then gradually start achieving our objectives. We will do the appropriate thing at the appropriate time, depending on what stage we are in, and this will lead us toward achieving our objective through more effective means.

[Question] All right, the organization has been created. What methods has the GOIC planned to use in order to deal with the tasks which it has taken on?

[Answer] I could quote a basic formula which is possibly the one which serves as a guide for our work in the region. It consists of the fact that the implementation of our goals requires three basic elements, which are: creation of the organization + establishment of mutual confidence between the organization and the member states + choice of the ideal methods and approaches for carrying out some of the activities which promote coordination between industries. It is on this basis that, during the past 4 years, we have concentrated on the approach of joint enterprises, preparation of comprehensive studies which deal with industrial strategies for the various sectors, and efforts to furnish the necessary recommendations for this, both on the national and regional levels.

[Question] Actually what I would like to do at this juncture is to dwell somewhat on the subject of the joint enterprises. What is the GOIC's philosophy concerning carrying out these projects, and what have been the results of the studies in terms of enterprises of this sort being undertaken?

[Answer] We believe that joint enterprises are the ideal solution if the approach is clear and is suitable for the reality of the situation in the Arab Gulf countries. In the future, by means of the creation of a number of joint enterprises, we will be able to have what could be called interlocking or mutually linked [enterprises and industries]. And certainly these joint enterprises will automatically lead to the stage of economic integration when people are ready for it.

[Question] Dr al-Khalaf, please specify and give us an actual example of the Gulf region's experience in this area.

[Answer] Through our experience with some of the joint enterprises and through our attempt to establish fundamental conditions for these enterprises, we have found that it is necessary that there be a general agreement which controls the establishment and commercial life of such joint enterprises. By accepting a recommendation from the GOIC council and by being conscious of the desires of the member states, we have succeeded in promulgating what could be called the general agreement for joint enterprises, an agreement which can control the establishment of any projects which will be implemented in the Gulf area.

[Question] What benefit is to be expected during the stage which comes after the stage of the establishment of this agreement?

[Answer] If we succeed in setting up this agreement for cooperation and coordination between industries which deals with joint enterprises, and if we succeed in having the member states sign this agreement, then we, as an organization, will have taken a big step toward advancing to the stage of economic integration. In other words, we believe in the idea of doing things step by step, at the appropriate time.

[Question] When can we expect this agreement to actually come into existence?

[Answer] First it will be presented to the GOIC council during its next meeting which is expected to be held in Doha next June. Then the agreement will be presented to the proper authorities in the countries concerned.

[Question] The GOIC is responsible for the creation of the information bank system in the Gulf area. To what extent has this benefited the Gulf area?

[Answer] You may rest assured that a great deal of interest has arisen concerning information as a basic requirement for industrial development, comprehensive development, and, in particular, cooperation and coordination between industries. The GOIC realizes that the Gulf area is part of the developing world and therefore lags behind the rest of the world in this field. For this reason the GOIC is concerned with information as an objective in itself and as a means by which to carry out its tasks.

The GOIC has striven to play a pioneering role in the establishment of the information bank in order to help set its own general policy, on the one hand, and in order to furnish planning objectives with data and information concerning coordination and cooperation between the industries of the member states. In September 1979 the organization's computer, intended for this purpose, was assembled and put into operation. Then several data base systems were designed in order to provide storage and retrieval of social, economic, and industrial data and information for the member states of the GOIC, and this was also done for data and information concerning the technology of various industries in the world. These data bases were supported and fed by a system of assembling data which obtains its information from numerous domestic and foreign sources such as the industrial studies made by the organization, sources in the member states, international information banks. There is no doubt that this constitutes a major step forward in the role of the GOIC because of the scientific benefit which it will give to the organization.

[Question] The GOIC is supposed to play an important role in achieving one of the aspects of economic integration in the Gulf region. Has it made its contribution so far by playing this role?

[Answer] Let us refer first of all to economic integration in the region. This economic integration has its elements and components. We do have ambitions to achieve such integration, and what we need to do is to implement it. Our philosophy concerning the method of implementing it is the same as that of the well-known Qatari song "Pebble by Pebble." What we are doing then is taking the long-term view as we proceed, and this means that we will achieve what we want when we want to. We are confident that we will achieve this by proceeding in a deliberate fashion, by making scientific studies, and by taking carefully thought-out steps. And just as soon as the "pebbles" have all accumulated and been put into place, then we will be able to say that the necessary structure for economic integration is almost ready. When that has been done, then the Gulf economic integration which we desire can be realized.

[Question] But what has the GOIC contributed toward cooperation and coordination between the Gulf states in their efforts to achieve the desired economic integration?

[Answer] The GOIC has been the first organization to officially be concerned with coordination between industries. However, the GOIC, according to the clauses of the agreement by which it was established, has only the power of making recommendations. Beyond that we depend on other channels, whether they be bilateral channels, trilateral channels, or collective channels. We realize that more time will be required for us to be able to make a study of how to harness all of these activities within a single structure.

Since action by the Gulf countries is a miniature version of joint action taken by the Arab countries, it would not surprise us to discover that the political and economic factors which we are subject to would have a definite effect which would influence any decision concerning joint action. In any case, I personally feel that the appeal for coordination and cooperation between the Gulf countries has already begun to take on a form of organization which is both practical and scientific. However, the books, pamphlets, and other publications which we have seen on the subject have hardly risen to the level of originality, creativity, and accuracy in research and theoretical thinking which we desire.

[Question] As long as things are proceeding according to the theory of "pebble by pebble," that is, step by step, please tell us what "pebbles" it has been possible so far to gather and assemble into the framework of coordination between the Gulf countries?

[Answer] When we speak of coordination, we must differentiate between the two types of industries in which it is possible to achieve coordination and which are basically our area of concern. The first type of industry we are concerned with here is that of basic industries which are oriented toward export, and the second type of industry is that of industries which produce either semi-finished or finished goods which are intended for domestic consumption.

As for the basic industries, we find that duplication is inevitable because of the similarity in countries' resources and competitive situations. This occurs even within America itself. And as long as we are concerned with industries geared toward export, such duplication is necessary in order to cover the general volume of export which is supposed to play its role in the world market. But we feel that coordination can be achieved through economic feasibility studies, the organization of the processes of exchange of technology and information, and the organization and development of the labor force, in addition to coordination of the enterprises' marketing activities. We cannot prevent duplication, but we could gather the enterprises into a "parent company" under the wing of which all of the companies could operate as affiliated companies. We have an example of this in the Gulf countries which demonstrates successful coordination and partnership in basic industries. This is the Gulf petrochemicals enterprise in which three Gulf countries--Kuwait, Saudi Arabia, and Bahrain--are participating. It is considered to be the best model of cooperation which has been achieved by means of a company established for that purpose. This company is the Gulf Petrochemicals Co. which has its headquarters in Bahrain and which produced methanol, urea, and ammonia. It is true that the GCCIC, as a Gulf organization, has not become involved in a project such as this. But we are referring to it as a good example of coordination and cooperation between industries which can be achieved in the Gulf area.

[Question] Do you not agree with me that there are basic factors in the Gulf area which impel the Gulf countries to achieve coordination between industries, in particular, as one of the features of general coordination in the Gulf area?

[Answer] Of course, there are basic factors which make coordination necessary. And apart from these basic factors in the area which make such coordination necessary, there are other basic factors relating to industry which make it necessary to pursue coordination and cooperation. Such basic factors are, for example, the area's scarcity [of natural resources], the limitation of the area's basic elements of industry, and the similarity of these basic elements [in all the Gulf countries]. Perhaps coordination will lead to higher economic efficiency because the industries will be working shoulder to shoulder. But what the industries of the area really need is something which is strategic and which every industry basically depends on--initiative. We see a negative example of this in Europe where the petrochemicals market is experiencing some degree of deterioration because there has been a lack of initiative. Therefore, in order for us to set up such an industry we will require research, development, a lot of capital, a skilled labor force, and many years of experience. And we have to recognize that this will be a costly operation. For this reason, the countries involved must achieve coordination and cooperation and must jointly conduct research and achieve development as a joint body which effectively carries out its work. In addition to this, more concern must be paid to marketing, organizing the labor force, and regulating the size of the labor force which comes into the Gulf region.

[Question] So far we have been talking about basic industries and you have pointed out that coordination between industries could include another type of industry, that is, industries which produce semi-finished goods. To what extent has this taken place?

[Answer] If we realize that the industries which produce semi-finished goods are basically oriented toward local consumption, then it will be very easy for us to see that the Gulf market is economically narrow and limited. This year the population of the Gulf countries, taken together, totalled 25 million. For this reason, our regional market is a small one. This would be true even if you considered the markets of the various Gulf countries to be a single market. How do you think the situation would be if we took each market individually? What would happen then is that the industries which would be producing for each market would be too large for the capability of their markets to absorb the products. Also, the capability of these industries to export their goods would not be great because the world is already saturated with industries of this type. However, two Gulf countries could be regarded as being an exception to this because they have a large enough population to enable them to set up industries producing semi-finished goods which can be absorbed by their national markets.

So it is necessary for industries which produce semi-finished goods--and these are industries which are considered to be industries which support basic industries--to acquire a distinctive character and to be of high quality and to be economically efficient. In addition to this, they have a real need for the existence of a single market. In other words, the degree of coordination between such industries needs to be higher so that enterprises are not duplicated and so that there are sufficient bases for establishing the enterprises, and then they will respond to the needs of local consumption and will be able to compete with imported goods of a similar type.

[Question] Could you give us an example of this?

[Answer] We have the example of the sheet glass enterprise which exists in every Arab country. But the best world-wide method of production, both from the economic point of view and from the point of view of high quality of production, is the float-glass process. There is one international group which authorizes this production method. When this method is used, the production capacity of sheet glass is 100,000 tons per year. Now let us divide up this quantity of sheet glass produced among the countries of the Gulf area in terms of their consumption capacity. We find that Saudi Arabia, the largest country in the Gulf area, can absorb no more than 30,000 tons, Iraq can absorb 40,000 tons, and so forth. Here we run into the obstacle represented by the group which authorizes this production method. This group will refuse to grant us a license to establish such an industry as long as the volume of the industry's market is incapable of absorbing what the industry produces. So the only way to achieve this and to meet the needs of local consumption is to set up a joint enterprise which is oriented toward the Gulf market as a whole. Such an overall Gulf market could just about absorb the production capacity of such an enterprise.

There are other similar examples concerning industries which produce tires, rolled aluminum, iron, and steel. All of these industries require joint cooperation, specialization, and distribution in order that they become national industries capable of competing and capable of meeting the needs of their national and regional markets.

[Question] And, finally, could you tell us something about the future plans of the GOIC which is now entering its fifth year of existence?

[Answer] One of our goals is, by January 1981, to sign an agreement concerning the establishment of an enterprise for producing rolled aluminum. This is the first enterprise of this type, and perhaps the confidence which the GOIC has in this project will enable the GOIC to begin to employ more progressive methods in the realm of joint enterprises. This would spur us on to have more such enterprises. At the same time, we are attempting to create other systems and formulas which would consolidate the concept of cooperation and coordination between industries as a necessary tool for the more comprehensive cooperation which is required by various circumstances, and all of this would create the necessary industry awareness that we need in the Gulf area.

[Question] Could we say that this represents the beginning of a Gulf common market?

[Answer] Yes, one could say that.

9468

CSO: 4802

ERADICATION OF ILLITERACY IN GULF: PROGRESS REPORT

Doha AL-'ARAB in Arabic 1 Jan 81 p 7

[Article by the Gulf News Agency: "Combatting Illiteracy in the Gulf Countries: the Situation Now and the Goals Aspired To"]

[Text] Our modern world faces a dangerous problem which constitutes an obstacle to its social and economic progress in this age of modern technology. The problem is that of illiteracy, and efforts are being made to combat and eliminate it. The level of civilization in a given society is measured by the level of education in that society, and the decisive factor here is the number of educated people in that society. If there are more illiterates than literate people in that society, then it is in the clutches of backwardness. Illiteracy is a feature which is widespread in the developing countries, and the Arab countries are part of the developing world.

The countries of the world have come to realize the dangers of illiteracy, and they have hastened to expend efforts to set up programs in order to eliminate illiteracy and rid themselves of its negative consequences.

The concept of elimination of illiteracy and adult education has undergone numerous changes which were certainly called for. This happened as a result of the achievements which were accomplished by the scientific revolution and as a result of adapting this concept and approach to the needs of the times. This also involved a change in the work methods used in this field.

At first, illiterates were defined as those who had not received any education. They were completely lacking in education because they had not been able to attend school due to their adverse economic and social circumstances and because their educational system had not been able to absorb them due to its limited capabilities. The aim of these first anti-illiteracy programs was to provide illiterates with a certain measure of education which would enable them to read and write.

Then other concepts surfaced such as those concerned with the development of society and which embraced all forms of social growth and development in the various regions of a given country, whether the development was undertaken by the government or by private organizations, and the development had in mind was in all the various fields such as agriculture, public health, and education.

Then the concept of social education appeared. This is a concept which provides a link between education and social development. Its objective is to strengthen social ties between people, to make them aware of the importance of development plans, and to urge them to participate in these plans.

After that there appeared the concept of basic education, the most important objective of which is to help people who are totally lacking in knowledge to acquire a body of knowledge and set of skills which would make them more capable of raising their standard of living and economically and socially participating in the development of their communities.

Then there arose the concept of eliminating functional illiteracy. The purpose of this was to link economic activity and individual concerns to the learning of how to read and write and involve all of this with vocational training and the teaching of vocational skills for the various sectors of economic production.

As for the cultural concept of elimination of illiteracy, as defined by specialists in the field in their studies of the elimination of illiteracy, this is a complex social problem. It concerns individuals and also concerns society at the same time. Cultural illiteracy basically means that a society suffering from it is backward. It is not possible to separate the problem of elimination of illiteracy among individuals from the problem of eliminating illiteracy from society. Illiteracy among individuals means that these individuals do not have the capability of utilizing skills of basic communication and means that they are deprived of the necessary means of expressing themselves--reading, writing, and arithmetic.

Illiterates live in a society which is rapidly and continuously changing and they are subject to the same events and developments that other people are subject to. But illiterates are deprived of the ability to keep up with these developments and to adapt themselves to them because they do not have the tools of communication which enable them to do this.

The elimination of illiteracy becomes very important as the needs of scientific and technological progress, which is taking place in today's world, increase. This scientific and technological progress requires that all citizens be educated and trained because they will constitute the human labor force involved in production, economic development, and increasing the national income. In order to keep up with the pace of modern civilization and in order to respond to the call to do our national duty, it is necessary for us to employ all means to eliminate this problem.

Statistical studies indicate that the number of Arab inhabitants, in 1966, who were 10 years of age or older was 65.5 million. The number of illiterates among them was about 49.5 million. The percentage of illiterates among males was 63 percent, and this percentage among females was 85 percent. When the two sexes are taken together, the percentage of illiterates was 76 percent. In the advanced countries, however, the percentage of illiterates was only 2.5 percent, and this percentage for the developing countries in general was 50.8 percent. These statistical data point out that the percentage of illiteracy in the Arab

countries has been decreasing at a rate of 1.3 percent annually. This shows that it is necessary to redouble our efforts in order to push ahead with the process of training people to eliminate illiteracy so that we can keep pace with the developments of modern civilization and the requirements of the modern age.

Modern technological civilization is constantly undergoing rapid change. If we do not greatly increase our efforts now to eliminate illiteracy, then later on we in the Arab countries will require 100 years to eliminate illiteracy. Concerning the Arab countries of the Gulf region, the statistics indicate that the number of illiterates in these nations total about 7.5 million. Of this number, 3 million are males and 4.5 million are females. The percentage of illiterates among the total population is about 55.9 percent. This percentage is higher among females, and is especially high in the rural areas. This means that more attention must be devoted to programs which eliminate illiteracy so that more people can be trained to participate in the process of production and in various other aspects of modern life. More attention must be devoted to programs to eliminate illiteracy among women in view of the major role which women play in the bringing up of our future generations, which are the backbone of our society, and in recognition of women's capability of constituting part of the labor force.

Already in the fifties the Gulf countries began to be aware of the danger of illiteracy and began to be concerned with programs to eliminate it. At that time, private individuals engaged in efforts to eliminate illiteracy by means of starting literacy classes. These literacy classes remained in the hands of private individuals for many years--in fact, up till the seventies. Then various ministries in these countries began to participate in the activities of these committees of private individuals and began to give them financial and technical aid. Then a committee was formed to supervise the planning and implementation of the anti-illiteracy programs.

Then the ministries of education took over these anti-illiteracy programs and by the middle of the seventies their efforts began to be apparent. They invited anti-illiteracy experts from UNESCO to come and set up a comprehensive plan for the Gulf countries to bring literacy to illiterate man and women between the ages of 10 and 44. In its first stage the plan was to concentrate on eliminating illiteracy by directing its efforts toward teaching illiterates reading, writing, and arithmetic. It was felt that if illiterates learned these things they would then be able to proceed with formal study and education. The second stage was concerned with expansion of traditional education and orienting it toward functional education. The Gulf countries did expend efforts in this direction. Some of them passed laws making it obligatory for all individuals between the ages of 10 and 45, who had either never been to school at all or whose educational level did not go beyond the fourth grade, to participate in anti-illiteracy programs so that their illiteracy would be eliminated within a minimum of 3 years.

Other Gulf countries warned of the dangers of the problem of illiteracy, made appeals to have illiteracy eliminated by means of spreading awareness of it among their peoples, and urged their citizens to participate in different anti-illiteracy and adult education programs.

These countries demanded that literacy centers and classes be opened and demanded that they be consolidated and developed in various regions of the countries, with particular concern being focused on remote areas and with all the various regions and both sexes receiving their due in terms of attention.

In order to supplement these efforts, the countries of the area undertook to cooperate with the Arab Educational Cultural and Scientific Organization to establish a center for training supervisory personnel for adult education programs. The center was set up in Bahrain in 1977, and its purpose is to serve the Gulf countries by training technically-qualified personnel to work in this field.

The following figures are the percentages of illiteracy among people 10 years of age and older in each of the Gulf countries. These figures were supplied to the Arab organization in UNESCO which deals with elimination of illiteracy, adult education, and the center for training supervisory personnel for adult education in the Arab Gulf countries:

Saudi Arabia - 83.8 percent (1980); Iraq - 36.8 percent (1978); Qatar - 41.6 percent (estimated); Kuwait - 44.6 percent (1975); the UAE - 26.8 percent (1978); the Sultanate of Oman - no statistics available; Bahrain - 50.6 percent (1976). The number of anti-illiteracy program classes, students, and graduates in each of the Arab Gulf countries in the year 1978 was as follows:

Saudi Arabia - 7,082 classes, 104,568 students, 1,628 graduates; Kuwait - 190 classes, 3,061 students, 1,017 graduates; Iraq - 348,509 students, 30,566 graduates; Qatar - 102 classes, 2,500 students, 1,906 graduates; the UAE - 507 classes, 10,503 students, 4,786 graduates; the Sultanate of Oman - 273 classes, 6,581 students, 1,408 graduates; Bahrain - 117 classes, 2,049 students, 1,861 graduates.

These figures show how few literacy centers there are. This is due to the fact that there are so few students, due to their economic and social circumstances. These figures also show how few graduates of these programs there have been. The Gulf countries have been offering incentives to people to attend literacy classes and to continue with their education. Each country has been offering various types of incentives.

Saudi Arabia has been providing the literacy students with free transportation and has been giving them awards and diplomas. Iraq has been distributing gifts and prizes to its literacy students. Kuwait has been giving them pay raises at their jobs. The UAE has been handing out gifts to literacy students, has provided them with free transportation, and has been giving them promotions after they achieve literacy. Qatar has been giving monetary awards of 50 riyals to its literacy students, and has also been granting them diplomas when they complete the program.

The Sultanate of Oman has passed a law which gives recognition to literacy diplomas. Bahrain has been granting literacy diplomas which enable literacy students to continue with their education after the fourth-grade level. All of this shows us that the Arab Gulf countries have been attempting, through all

possible means, to develop and consolidate their literacy programs, to increase the number of such programs, and to encourage illiterate people to participate in them. At the present time there are obstacles which are proving to be a barrier to all efforts being made. We ought to become acquainted with these obstacles in order to come to the point where we can overcome them. It is obvious that the obstacles which stand in the way of eliminating illiteracy and other similar activities, the objective of which is economic and social progress, are a result of the fact that the people of the Gulf countries live in a society which has undergone a transition from a stage in which economic activity depended on the use of simple, elementary skills to a stage in which modern technology has become the most appropriate means of conducting their economic activity--and that this has taken place without the benefit of having trained administrative and technical personnel who can meet the requirements of the times and can utilize modern methods in their work operations.

The obstacles which stand in the way of eliminating illiteracy are embodied in the fact that the efforts which have been expended have not been of a level sufficient to keep pace with the developments of modern civilization--especially technological changes. Literacy classes have been restricted to the teaching of reading, writing, and arithmetic, and no attention has been devoted to teaching and training the literacy students to become part of a work force which contributes to society's growth and development. Combatting illiteracy is best done by eliminating the illiteracy of a society, and not [merely] by eliminating individual illiteracy

The efforts made in most of the countries of the Gulf area have not depended on the use of scientific methods in the fields of planning, implementation, and follow-up procedures. Administrative and technical bodies and organizations have not been able to keep track of the implementation of the plan's programs, deal with the problems and obstacles which hinder their success, and continuously evaluate them. They have not been able to keep pace with the methods and procedures used by other countries in this field.

There have not been enough specialized personnel who can plan anti-illiteracy programs, nor have there been enough organizations to undertake the training [of people to run such programs]. Also, there has been no success in linking anti-illiteracy programs to development projects.

Most of the countries in the area so far have not passed any law requiring the elimination of illiteracy. Furthermore, media and informational organizations have not participated in any campaigns to make people aware of the importance of attending school and eliminating illiteracy.

From the quantitative point of view, the number of existing literacy centers and classes has only been able to accommodate a small number of literacy students.

There are also barriers to achieving the elimination of illiteracy which are of a social and economic nature and which affect literacy students.

With regard to social barriers, we have to consider the situation of women in the home and the fact that they are involved with many responsibilities and have many children, especially in the villages. Also, the lack of availability of transportation and the distance of the literacy centers from their homes make these women unable to attend such literacy classes. And if they do sign up for these classes, they are unable to keep up with them. Also, older illiterate people are ashamed and embarrassed when in the presence of younger people, and do not have confidence in their ability to learn and to be successful in these classes.

From the economic point of view, an illiterate person sees no benefit in becoming literate when he is already older. Also, such literacy students tend to spend their spare time pursuing part-time jobs which increase their income. In addition to this, the literacy student's study hours conflict with his work hours. Also, the teachers are often unacquainted with how to teach illiterate adults what they need to know.

Specialists in this field feel that it is necessary to train special qualified personnel to teach illiterates. This is because the elementary school teachers who are presently teaching illiterates will not be able to achieve the desired objectives of literacy courses. The reason for this is that the psychological and social characteristics of adults are different from the psychological and social characteristics of children.

Also, the subject matter of the literacy courses does not attract the attention of the students and does not meet their needs. It is also necessary to provide special libraries for those students who have advanced beyond the stage of illiteracy.

Likewise, the literacy teachers need to be trained, provided with the latest expertise, and made acquainted with all the latest developments in order that they be better qualified and have better understanding of their field. Efforts also need to be made to create more specialized institutions for providing adult education. An intensive media campaign must be undertaken in order to make our citizens aware of the importance of eliminating illiteracy. A special budget should be earmarked for anti-illiteracy programs, and it should be capable of paying appropriate salaries to administrators and employees working in these programs. Funds need to be provided for the material incentives which are given to literacy students. Special classes must be created for adults so that they will not have to be taught together with children and young people in the same classes. It is necessary to provide enough workers in this field who have various skills and types of expertise and train them to work in these programs so that they can provide the literacy students with the skills and knowledge they need and thus furnish them with the functional education which meets the desired objectives of the programs. Also more literacy centers and classes must be started so that a greater number of literacy students can be accommodated. It is also necessary to make attendance of literacy classes compulsory, provided that this measure is preceded by an awareness campaign which focuses on the problem of illiteracy. This should be done by having all official government

agencies cooperate with the citizens' organizations in conducting this campaign of awareness, and they should participate in setting up the overall plan for eliminating illiteracy. The role of the government agencies and the citizens' organizations should be defined, and the overall campaign programs should be constantly reviewed and evaluated.

The plan should deal with all of the problems which confront illiterate people and prevent them from attending literacy courses.

Previous study has shown us that the most important areas of adult education are the elimination of illiteracy, development of society, education of workers, social training, recreation activities, completion of their education, and vocational growth. For this reason, efforts should be concentrated on these needs so that the desired objective of eliminating illiteracy can be achieved. Current definitions of illiteracy do not define it as [complete] lack of education, but rather as the lack of capability to acquire further education. The issue of our labor force is primarily an issue of their education. Most of the [Gulf] countries have scientific bodies and organizations, but they do not have the sufficient skill to create them [themselves] or to operate and administer them.

Educated people are the ones who occupy the key positions in modern societies, due to their variety of skills and capabilities. If the various types of education are not included within a comprehensive plan capable of providing growth, are restricted to theoretical studies, and are not linked to development of society, then such education will not be able to carry out its mission and those who become educated will become mere consumers rather than producers.

Education also plays a prominent role in the development and modernization of the life of our society. This is especially true nowadays since modern technology has come to dominate all facets of our life. For this reason education should be comprehensive in terms of quantity and functional in terms of quality. Education is supposed to be provided and utilized, and is supposed to constitute the basis of an educated, informed society. This is what we desire for the society of our Arab Gulf countries.

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CSO: 4802

WORSENING FOOD SUPPLY PROBLEM DISCUSSED

Doha AL-RAYAH in Arabic 3 Jan 81 p 3

[Interview with Engineer Ahmad al-Mani', undersecretary of industry and agriculture, by Suzanne Mustafa; date and place of interview not given]

[Text] The Scope of the Food Supply Problem in Qatar Is Far Smaller Than the Scope of This Problem in the Other Arab Countries.

The Agricultural Development Organization Is Selecting Qatar to Be a Member of the Six-Member Arab Committee Which Will Evaluate Arab Food Supply Projects.

Qatar Is Reaching the Stage of Self-Sufficiency in Some Food Commodities.

The Only Solution to the Problem Is an Integral Plan for Arab Development.

The problem of food supply has become one of the most serious economic problems which we have been confronted with during the last few years. In fact, the world has reached the point where it is no longer able to conceal its fear of this problem exploding in its face because it sees obvious and ominous signs of this problem.

There is no doubt that the issue of food supply for the Arab world is one of the most important issues which has preoccupied Arab countries lately in view of the dangers entailed by it--dangers which are embodied by the Arab world's inability to feed itself in spite of its enormous resources. In fact, in the year 1977, the Arab countries imported food which cost them a total of about \$7 billion. This is three times what imports totalled in 1972.

The secretary-general of the Arab League, Mr al-Shadhili al-Qalibi, has made it clear that the Arab world's food supply problem is no longer merely an economic problem. He said that it is primarily a political problem because a small group of countries are monopolizing the production and marketing of food-stuffs.

This is why the meetings of the 10th session of the Council of the Arab Agricultural Development Organization were of particular importance. The agenda of these meetings focussed on a discussion of this problem. These meetings represented a new step taken on the path of joint Arab action to achieve coordination and cooperation in order to solve one of the most serious problems which faces the Arab world. With this as a background, and in order to seek the answers to many questions dealing with the Arab food supply situation, the most important problems concerning this situation, and how to deal with these problems, I conducted this interview with Engineer Ahmad al-Mani', the under-secretary of industry and agriculture, who was the head of Qatar's delegation at the meetings of the Arab Agricultural Development Organization.

Food Supply Projects Are First on the List

Mr al-Mani' said: "The 10th session of the Arab Agricultural Development Organization, which was recently held in Damascus, was of special importance in view of the fact that it occurred right after the 11th Arab summit conference which was held in Amman last November and which established a strategy for joint Arab economic action. Its importance is also due to the other topics which were included in its agenda. At the head of the list of these topics were projects dealing with Arab food supply up till the year 2000, the project for Arab strategic grain storage facilities, and the organization's projects for the year 1981. In fact, the conference lasted longer than the time originally allotted for it because so many topics were dealt with. All of the Arab member states in the organization took part in these meetings." Concerning the figures which were quoted by studies made concerning the size of the shortage in food supply expected in the Arab world by the year 2000, as well as the solutions which the conference suggested for dealing with this problem, Mr al-Mani' said: "The Arab world's population is increasing at an annual rate of about 2.6 percent whereas its production of grain and food is increasing at an annual rate of between 1.5 percent and 2 percent. What this means is that the size of the Arab world's food shortage is increasing every year. Consequently, the Arab world is increasingly dependent upon the outside world, from which it is importing foodstuffs, the most important of which is grain. Unfortunately, this problem is not attributable to a lack of resources in the Arab world. It is attributable to the lack of existence of an integral decrease in the size of investments made in agriculture, technological backwardness in production, and a shortage in the rural sector's work force because of ever-increasing migration to the cities. Added to all of this is the Arab world's insufficient infrastructure in terms of roads, storage facilities, etc."

The Size of the Arab Food Supply Shortage

Mr al-Mani' added: "Although it is possible to increase the amount of arable land in the Arab world and to extend the arability of land in diverse environments by 15 million hectares, which would provide more opportunities for integration, and although we have plenty of technically-trained personnel, financial surpluses, and the necessary water for irrigation, if the present rate of Arab agricultural production continues it will lead toward the existence of an Arab food supply shortage, in the year 2000, of about 26 million tons of grain, about 3 million tons of sugar, and a million tons of meat. It is for this reason that the

conference set to work studying a number of programs for the Arab world, some of which aim at the development of natural resources and the rest of which have in mind the development of food commodity production."

"A total of 153 projects were proposed at the conference, 145 of which were pan-Arab projects and 8 of which were joint projects. These projects were in addition to the projects dealing with strategic Arab grain storage facilities. However, these projects require closer and more accurate study than has been done so far. We hope that our organization will review these projects in order to discover which of the projects are economically feasible."

The Scope of the Problem in Qatar

[Question] This is a general picture of the scope of the food supply problem in the Arab world as it will be in the year 2000. Does Qatar, as an individual country, face this same problem? How big will Qatar's shortage in grain, meat, and fish be at the end of this century?

[Answer] The size of Qatar's food supply problem is much smaller than is the scope of this problem in the other Arab countries. Nevertheless, Qatar has devoted special attention to the food supply problem of the Arab world as a whole since Qatar is an inalienable part of this Arab world. This has been the judicious policy which has been followed by our wise leader, His Highness Shaykh Khalifah Ibn Hamad Al Thani, the Prince of Qatar, as well as his loyal heir apparent. In this regard I wish to point out that the conference has formed a six-member committee which will evaluate Arab food supply projects, study the feasibility of their implementation, and set their priorities in practical terms. Qatar was one of the countries chosen to have a member on this pan-Arab committee.

Qatar has always tried to attain total self-sufficiency in the production of some foodstuffs. Our ministry has proposed numerous alternatives, and each alternative is still under study with regard to its technical and economic feasibility. If our present efforts continue, we can expect that, by the year 2000, the size of our food supply shortage will be as follows: about 60,000 tons of wheat, about 32,000 tons of rice, and about 48,000 tons of red meats and poultry meats. As for fish--God willing--this is one area in which we will not have any shortage.

Decisions Made by the Conference

[Question] Let us turn once more to the meetings held by the Arab Agricultural Development Organization. Could you tell us what decisions were made by the organization in order to deal with the Arab world's food supply problem? Also, why was it decided to hold an emergency session of the council of the organization 6 months from now in Libya? Is this due to the fact that the conference did not cover all of the items which were on its agenda?

[Answer] The conference made 33 decisions. The most important of them concerned the formation of the six-member committee to establish the Arab world's food supply program, the act of referring to the Economic and Social Council the plan

concerning strategic food storage facilities, and referral of the project concerning the establishment of a pan-Arab center for making technical and economic feasibility studies. In addition to this, the conference ratified its 1981 budget and approved its 1979 final report. Furthermore, the conference made the decision to accept the Republic of Djibouti as a member of the Arab Agricultural Development Organization.

With regard to the organization's emergency session, it has been decided that this session should be devoted to studying and ratifying the results of the work to be done by the six-member committee which I have previously referred to and which will concern itself with food supply programs and projects for the Arab World.

Comprehensive Economic Development

[Question] Are the food supply projects which were proposed by the organization among the projects which will be included among the programs of the "decade of comprehensive economic development" which was established by the Arab summit conference which was held in Amman last 25 November, or are these food supply projects something which is independent of this conference?

[Answer] There is no doubt that agricultural development is a part of the Arab world's comprehensive economic development. This is why one of the recommendations made by the conference was that the Arab Agricultural Development Organization, in the implementation of its programs, should work together with officials from the Arab League and the various other Arab organizations concerned. This would guarantee effective coordination between them. In general, the projects which were proposed for the Arab world are outside the scope of the particular plans which each Arab country has made for itself individually. That is, each Arab country's individual plans should continue and should be in addition to the implementation of the projects which the conference proposed for the Arab world as a whole.

The Future of the Organization

[Question] In light of the discussions held by the Arab Agricultural Development Organization, and in view of the fact that 8 years have passed since this organization was established, how do you visualize this organization's role in the future?

[Answer] The Arab Agricultural Development Organization has begun to play a tangible role in the Arab world's development. And I hope that it will play an even more effective role in the future. It could do this by providing specialized technical personnel in the various fields of agricultural development. Also, it is my opinion that this organization, in the future, could become a center of knowledge and expertise which would be of service to agricultural development.

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CSO: 4802

AGRICULTURAL INCREASES CITED

Beirut THE ARAB WORLD WEEKLY in English 14 Mar 81 p 15

[Text] Wheat production in the Kingdom increased by over 100 per cent last year, according to the Agriculture Minister Dr. Abdul Rahman Al Sheikh. It amounted to 120,000 tons compared with just 52,000 the previous year and a mere 18,000 tons the year before that.

Dr. Sheikh attributed the dramatic increase to generous government aid to the farmers, subsidies on farm equipment which amount to 50% of the cost and the ministry's program to cultivate more land by providing water, seeds and other assistance. "In this way we have encouraged more people to attend to farming and increased the output of foodstuffs," he said.

Dr. Sheikh said that the capital will soon begin to receive huge quantities of water from the Wasei wells and the desalination plants which will process water pumped all the way from the Gulf, in the Eastern Region. In ten months, experimental pumping will commence, he said, and eventually supply 63,000 cubic meters of water a day in addition to the present amount. The desalination plant is already 50 per cent complete, he added, and should be ready to pump water in 16 to 18 months.

Earlier, it was reported that the Eastern Province branch of the Agriculture Development Bank granted 1,126 loans that totaled SR138 million during the past nine months. Abdul Aziz Abdullah Al-Uwafeer, the agricultural bank's Hofuf branch director, said the Hofuf branch alone has issued 760 loans that totaled SR54 million during the period. The loans were granted to 710 farmers, 31 beduins, nine poultry farm owners, four leases for agricultural machinery, three fishermen and a nursery farm project.

The branch also granted financial assistance to farmers and poultry farm owners that amounted to SR16 million. About SR12 million was allocated for poultry farmers, issued monthly in the form of fodder.

The bank's loans during the nine months covered 5,780 donums of utilized land and 17,000 of unutilized land, and

In addition, Sami Labban, manager of the agriculture assistance program of the Arabian-American Oil Company (ARAMCO) said that farmers in the Kingdom may be producing enough crops within the next five years to enable Saudi Arabia to be self-sufficient in fresh vegetables yearround. He said that with continued development of a network of communications, marketing and cold storage facilities and of controlled environment farming in greenhouses, Saudi Arabia could replace imports of fresh vegetables during non-growing seasons by the mid-1980s.

CSO: 4820

BRIEFS

NEW MILITARY COMPLEX--Saudi Arabia plans to lay the foundation stone of a fourth military complex, west of Dhahran, on May 4, the newspaper AL-RIYADH reported last week. The report said that the complex would take six years to complete, but it did not give the cost of constructing it or any other details. The country already has two operational military bases--at Tabuk, 700 kilometres north of Jeddah and 100 kms from the Jordanian frontier, and at Khamis Mushayt, 450 kms south-east of Jeddah and 200 kms from the border with North Yemen. The newspaper quoted Lieut-Col Nasser Fahd al-Faisal of the Saudi Defence Ministry as saying that work began 18 months ago on a third complex at Hafr al-Batin, 40 kms north of Riyadh and close to the Neutral Zone, and that the base, known as King Khaled Military City, should be finished within two years. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Mar 81 p 5]

OIL SALES TO SRI LANKA--Saudi Arabia has agreed to more than double its crude oil sales to Sri Lanka this year, from 250,000 tonnes to 520,000 tonnes, it was announced last week. This will enable the government of Sri Lanka to postpone the introduction of gasoline rationing, which seemed unavoidable after the halt in imports from Iran and Iraq. Sri Lanka's oil bill this year, estimated at about \$620 million, will absorb more than 40 per cent of the country's export earnings, but it is not yet known whether Saudi Arabia will follow Iraq's example and offer concessionary terms, equivalent to a rebate of \$7 million on last year's sales. The matter will be discussed when President Jayewardene becomes the first Sri Lankan head of state to visit Saudi Arabia this month. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Mar 81 p 9]

SAMA INVESTS IN JAPAN--The Saudi Arabian Monetary Agency has asked two British merchant banks to handle a \$1 billion portfolio of placements in Japanese equities, according to Tokyo newspaper reports. Neither of the merchant banks named in the report, Baring Brothers and Robert Fleming, was prepared to comment, but the reports suggested that a formal contract would be signed in the near future. If confirmed, this would be the first known equity placement by SAMA, which has traditionally confined its investments to bank deposits, government securities and a number of private placements in blue-chip corporations in the US. The report follows a call by Hikmat Nashashibi, General Manager of the Kuwait International Investment Company (AN-NAHAR ARAB REPORT & MEMO, March 9) for Arab countries to invest their surplus funds in Japan. SAMA has hitherto been reluctant to place much of Saudi Arabia's surplus, now estimated at about \$100 billion, outside the US for fear of driving down the exchange value of the dollar. But it has recently started to show signs of interest in limited diversification and last year agreed to buy Japanese yen-denominated bonds from the Bank of Japan. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Mar 81 p 5]

ECONOMIC DEVELOPMENTS OF SEVENTIES REVIEWED

Khartoum AL-SAHAFAH in Arabic 2 Dec 80 p 7

[Article: "Economic Development In Sudan"]

[Text] The General Administration for Economic Research of the Ministry of Finance and National Economy issued its economic review for the years 1979-80. The analyses and statistics of the review contain the basic economic indicators for the seventies and include the following:

World economic developments, Sudanese economic developments, the Gross Domestic Product (GDP), population statistics, index figures, salaries and wages, the financial position of the public sector, the balance of payments, the performance of foreign trade, and economic & social planning.

The Gross Domestic Product

The growth rate of the gross domestic product was estimated to be 15 percent based on current prices for the period 1976-1977 to 1979-1980. The contribution of the various sectors to the gross domestic product is as follows:

The agricultural sector: 31.5 percent; the commercial sector: 15.59 percent; the services sector: 13.5 percent; the transportation and communications sector: 31.1 percent; the government services sector: 9.8 percent; the supply industries sector: 8.2 percent; the construction sector: 6.3 percent; the electricity water and mining sector: 1.1 percent.

Agricultural Production

Cotton production decreased slightly in the 1978-1979 season as a result of a decrease in the area planted, which was only 994,000 feddans as compared to 1,071,000 feddans in the 1977/1978 season. Therefore, production was reduced in 1978/79 to 713,000 bales as compared to 994,000 bales in the previous season. The areas planted with peanuts and sesame were reduced respectively to 2,326-2,057,000 feddans in the 1978/79 season as compared to 2,629-3,495,000 feddans in the 1977/78 season. Thus production decreased in the 1978/79 season to 813-214 thousand tons compared to 1,021-245,000 tons respectively in the previous season. Wild and cultivated gum Arabic production rose in the 1978/1979 season to 35-45,000 tons respectively as

compared to 32.5-2,000 tons in 1979/80 season. The production record for vegetables, fruits, and sugar cane indicates a continuing increase during the seasons 1975/76-1978/79.

The area planted with vegetables and sugar cane reached 65.1-93,000 feddans respectively in the 1979/80 season. Production is expected to reach 357.1-1,508,000 tons respectively while the vegetables production is estimated at 611.1,000 tons for the same season.

It is expected that the production of corn and tobacco will record an increase during the season 1979/80. The increase will reach 1809-320-231 thousand tons compared to 2386-550-168 thousand tons respectively in the season of 1978/79. This increase results from an increase in the area planted with those crops. The crops increased to 6329-2350-447,000 tons compared to 7202-3079-576,000 acres respectively in the season of 1977/78 [as published].

The volume of animal resources is estimated to be 51.3 million head of cattle in the year 1979/80. Timber from forests in Sudan is estimated to be 193 billion cubic meters. Sixty million cubic meters of wood can be harvested annually. Approximately 40 million cubic meters are currently being cut each year.

The Industrial Production

The years 1978/1979 witnessed the start of production at the six textile factories and the sugar factory at Hajar ('Aslayah). As a result, textile production of public sector factories increased by 37.5 percent in 1978/79 in comparison to the previous year. It is expected that the increase will amount to 54.5 percent by the end of the 1979/80 as compared to the year 1978/1979. Production of sugar has also increased by 26.7 thousand tons during the first nine months of 1979/80 as compared to production during the same period of 1978/79.

Production in the cement industry increased in 1978/79 by 2.7 percent over production in the previous year. On the other hand, in the food industries, the production of the vegetable, fruit and date canning factories decreased in 1978/79 as compared to 1977/78 production. The Hibisurs powder and gum Arabic production of the Babanusah factory increased in 1978/79.

Plans to raise the productivity level of local tanneries have been established. The private sector plays an important role in the field of industry. In addition to the private sector's participation with the public sector in the textile, oil, leather, and foodstuffs industries, the private sector leads the rest of the existing local industries. The private sector realized various levels of increase in the production of cigarettes and foods in the year 1978/79.

The Mining Sector

Gypsum production reached 6.7 thousand tons in 1978/79 which was a 11.7 percent increase over the same period in 1977/78. Production is expected to reach 7,000 tons in the year 1979/80. Chrome production is expected to realize an increase of 31.6 percent in 1979/80 as compared to the previous year. Mica production is expected to decrease to 100,000 tons in 1979/80 as compared to 600,000 tons in 1978/79.

Population and Manpower

Population estimates indicate that the population in 1976 equaled 16.1 million people. Forecasting indicates that the population in 1982 will reach 18.8 million people. The labor force in Sudan is estimated to be 7 million people, which represents 55 percent of the total population according to a 1973 census.

Migration to urban areas is estimated to be 25.8 percent, while migration to rural areas is estimated to be 5.6 percent of the total individuals who migrated across provinces not counting the migration within the governorates.

Cost of Living

The 1970's witnessed a continuous increase in the cost of living which reached 404 percent in 1979 as compared to 100 percent in the base year, 1970. This increase is attributed principally to the rise in prices for imported and local consumer goods. There are also natural and geographical factors contributing to this increase, such as floods in the central regions, drought in the northern and Arab regions, and an increase in population resulting in an increased demand for goods.

Public Sector Performance

It is to be noted that the average variance between the estimated and real revenues of the central government reached 1.5 percent, 2.6 percent, 12.4 percent during the periods 69/70, 71/72, 72/73, 1974/1975, 75/76, 77/78 respectively. The income shortage is basically attributed to a decrease in real non-taxable income as compared to that estimated. For the same reason, the deficit in 1978/1979 reached 15.4 percent. The average income from taxes as compared to the total income reached 41.2 percent, 35.9 percent, 40.85 percent during the same periods mentioned above.

The main sources of income in this chapter are: direct and indirect taxes, fees, refunds of sugar profits, the Jazirah project, and profits of organizations. Government spending increased on the average by the following rates: 40 percent, 70.1 percent, 61.7 percent, 24.9 percent during the periods 72/73, 74/75, 75/76, 77/78, 78/79 and 1979/1980 (estimated). Government spending included: economic services, social services, debts payments and interest, defense and security and development expenditures.

The actual budget surplus showed improvement as reflected in the averages, but it had fallen in fiscal year 1978/1979.

Spending on development decreased in fiscal year 78/79 by 11.6 percent from the year 1977/1978 in an attempt to concentrate developmental efforts only on top priority projects. Annual borrowing of the public sector from the Central Bank reached 234.3 million pounds during the period from July to March of 1979/1980.

Decisions have been made to restructure the public sector organizations. Such decisions include the exclusion of the public sector from the liquor industry and converting existing liquor factories to the production of medical alcohol. Also the public sector will be excluded from the candy, plastic bags, packing, and shoe industries. The General Organization for Industrial Production has been dis-

solved and was replaced by three companies. The General Organization for Agricultural Production was also dissolved.

Banks & Currency

During the last fiscal year 78/79, a tripartite program was established in cooperation with the International Monetary Fund to deal with the following: the imbalance in the balance of payments, the distortion of local prices, the size of loans for both the public and private sectors, the fight against inflation, and the improvement of foreign assets.

Money offered on the market by the end of December 1979 reached 936 million pounds; the increase was 230 million pounds or 32 percent. Loans obtained by the public sector from the banking system reached 894 million pounds by the end of 1979. Loans and credit guarantees given to the private sector in 1979 reached 460.9 million pounds compared to only 343.3 million pounds in 1978. Credit guarantees for imports and exports increased in 1979 by 18.1 million pounds, which is 8.7 million pounds more than its increase in 1978. The percentages of increase are 19.4 percent and 22 percent respectively. The specialized banks succeeded in providing credit guarantees to specialized sectors with the aim of raising their development rate. This strategy is in conformity with the established economic concentration program.

Balance of Payments

The balance of payments recorded a deficit of various percentages during the period 1969-1979, due to the deficit in both trade balance and current accounts. The trade balance recorded a continuous deficit with the exception of the year 1973. The deficit continued in the services Account during the period 1969-1979 and reached its highest level in 1971. The trade balance deficit increased in the period from July to February 79/1980 by 111 percent as compared to the same period for 78/79. The services account showed a surplus during that same period while in July-February 1978-79, it showed a deficit. The government's foreign borrowing increased during the second half of the 1970's in order to meet the developmental needs of the nation. With regard to foreign trade, operations showed a surplus for the years 70,71,1973.

Development Programs

Total allocations for the developmental budget for the year 79/80 amounted to 392.017 million Sudanese pounds. Both the agricultural and industrial sectors were given priority over other sectors with regard to distribution of allocations. Actual spending reached 90.15 million pounds up to March 1980, which represents 31.6 percent of central financing allocations, while total spending for self-financing units reached 11.63 million pounds. As for the principal development projects, during the last third of the year 79/80, the Kinanah sugar project, the Hajar 'Aslayah sugar project and the road between Madani and Sannar were inaugurated. This year's budget included continuation of work on the main projects in the various sectors. With regard to joint investments, the number of companies between the public sector and other sectors was 11, working in various economic activities.

9607

CSO: 4802

YUGOSLAVIA TO PROVIDE AID FOR WATER PROJECTS

Khartoum AL-SAHFAH in Arabic 2 Dec 80 p 6

[Interview with the Yugoslav project director "Yugoslavia Participates in the National Campaign to Fight Drought; Raising the Level of Water in Sudan within the Framework of Regional Government"]

[Text] Our forward march is at a historical juncture which is the most critical stage for our nation. It will play a major role in our future life once the economic, social, and political foundations are established.

The forefront in the war against developmental handicaps is the national campaign begun in 1970 to fight drought in Sudan. The campaign has achieved promising results by making water available for man, animal and every living organism. The National Water Administration is responsible for the planning and supervision of the use of water resources in the villages and cities. This is the most important department in the services sector. This department is undertaking something which will be a foundation for comprehensive development. Along with the campaign to combat thirst, the Yugoslav project was begun to establish workshops and maintenance centers and to clean the wells in order to ensure present and future accomplishments. I met with al-Hajj al-Tayyib al-Tahir, Director of the Yugoslav project in the National Water Administration, and asked him the following:

[Question] Before telling us about the Yugoslav project which you supervise, why don't you tell us about the size of the problem?

[Answer] "Thirst is unforgiving. The non-availability of water is one of the main reasons for the continuation of bedouin life and backwardness in the rural areas of Sudan. Confronting the thirst problem in Sudan initially involves consideration of the human dimension first and subsequently the economic and social dimension." Al-Hajj al-Tayyib used the fingers of his left hand to enumerate. He said, "First, there is the search for water and the misery and exhaustion associated with it." Then he used another finger saying, "Where there is water scarcity, there is a crowd of animals around a stagnant water source. This crowding is associated with the spread of diseases among animals and leads to loss of a large portion of the animal resources. Because man and animal reach out for polluted water, man is attacked by disease and death. Many villages could perish due to the polluted water, but for the kindness of God."

[Question] This is the human dimension, what is the economic one?

[Answer] Al-Hajj al-Tayyib said, "We are facing a situation where manual labor is the main source of productivity in the drought areas in Sudan. Therefore, the problem affects both work and production, since 60 percent of the time in the rural areas is wasted on the search for water. Some villages are 10 km away from their water sources. Therefore, one works at 30 percent of capacity. In addition, the grazing areas, which represent the foundations for the very existence and development of animal resources, are also affected. The animals must walk long distances between the water sources and the grazing areas. Animals lose 70 percent of the nutritional benefit gained from grazing because of the long and tiresome walk."

I concurred saying, "Indeed it will require great efforts to solve this problem." Al-Tahir nodded his head saying, "The May revolution has taken its first practical step towards providing water and eliminating the thirst problem in Sudan. All of the citizens have participated through their self support, and all of the government agencies have exerted every effort to ensure the success of the campaign."

World conscience has responded, and a group of nations have extended technical as well as material assistance to Sudan. These nations are: Sweden, Nigeria, the Arab Republic of Egypt, Italy, China, and Yugoslavia. The world organizations' participation is represented by the United Nations, the Arab League, and the International Red Cross."

[Question] Would you shed some light on Yugoslav-Sudanese cooperation in the field of water supply?

[Answer] "Workshops and maintenance centers do not represent the first areas of cooperation with friendly Yugoslavia. During the national campaign to combat thirst, through the initiative of the Rural Water Supply Authority under the sponsorship of our leader, wide expanse of desert were studied and thousands of wells were dug, creating new life in the Sudanese rural areas. This is how we first encountered the sympathetic government of Yugoslavia represented by the Gunkinka (phonetic) Company of Zagreb, a leader in the field of water services. That company has experience gained from its work in several countries. It also has a strong working relationship with certain organizations in Sudan. The cooperation between Gunkinka and the Water Supply Authority goes back to 1960 and was based on training of Sudanese cadres, importation of drilling machines and modernization of technical methods in Sudan."

The outstanding achievements of that alliance include the drilling and construction of 415 water stations in Sudan as the late President Tito's contribution toward fighting thirst.

"Another achievement is embodied in the Yugoslav project which was agreed upon by Sudan and the Gunkinka Company of Zagreb, to create maintenance centers for the water stations in various Sudanese regions. The company took it upon its lf to design, to execute, to prepare and install the equipment for four main workshops in Khartoum, al-Fashir, al-Qadarif, al-Abyad as well as 16 maintenance centers in various Sudanese cities, and providing all of them with the necessary means of communications.

"A protocol had been signed as well between the Democratic Republic of Sudan and the Socialist Republic of Yugoslavia during the meetings of the Third Session of the Joint Ministerial Committee between the two countries which were held from March 30 to April 2. The protocol calls for:

- 1- Establishing 10 new maintenance centers as an extension of the previous contract.
- 2- Extending technical assistance in the field of industrial cooperation by studying the benefits of a master plan for water works in Sudan, and in light of that study, agreeing on financing."

[Question] What is the practical benefit of implementing this project?

[Answer] First, from the economic point of view, it should be considered a great success achieved by the campaign to fight thirst. It naturally became a guarantee for the continuation of thousands of existing stations, as well as a promise that others would be constructed in the future. In order to avoid wasting the efforts already exerted, necessary maintenance for these stations must be provided. The project aims at providing this guarantee.

The workshops and maintenance centers were distributed so that each center could provide its services to approximately 150 stations. We hope that the number of maintenance centers will increase to lessen this burden while raising the quality, so that eventually each center will provide its services to only 50 stations in the future.

The project in its present size raises the performance levels of the existing workshops, and supports them so that they are able to perform their duties to maintain the water services.

The Social Effects of the Project

As for the social effect, they are centers for quiet technological integration and progress for the Sudanese countryside and a way for the rural person to keep abreast of the most important developments. Consequently this technological step creates a technocratic mentality which accepts modernization and keeps up with the machine age. It also saves the time previously wasted on the search for water, and utilizes this time to face other obstacles in the way of progress, such as the eradication of the illiteracy.

[Question] Let us talk about implementation and accomplishment.

[Answer] Al-Hajj looked at the data hanging up on the wall of his office. He said, "The project's largest workshop is the Khartoum workshop which was completed in May of this year. It was officially inaugurated last June. Also the maintenance center in Wad Madani has been completed and the authorities have welcomed it.

- With regard to d-Qadarif and d-Abyad workshops, the work is in its final stage.
- The work in the maintenance centers in al-Damir and Bara is continuing in an excellent fashion. The implementation of maintenance centers in Dongola and Port

Sudan started in mid-November after the preparatory work had been completed. Within a year and a half the whole project will be completed. To date 75 percent of the project to clean the well has been completed.

[Question] Is there a second stage for the project?

[Answer] Yes. There is a stage which allows this initial plan for the development of the service centers. The second stage will concentrate on increasing the effectiveness of the workshops and centers so that they can keep up with technological advances in the fields of searching for water and providing the modern machinery the workshops will need.

3607

C80: 4802

UNLICENSED FINANCIAL INSTITUTIONS TO BE CLOSED

Beirut THE ARAB WORLD WEEKLY in English 7 Mar 81 pp 18, 19

[Text] The UAE Central Bank is to order the closure of financial institutions which are operating in the country without a valid license from the monetary authority.

This follows a warning issued by Sheikh Surour bin Muhammad, Chamberlain of the Presidential Court and Chairman of the Central Bank, last week that it is illegal for financial organizations to operate in the UAE without a licence from the Central Bank.

According to informed sources, the bank has been keeping the activities of these financial organizations under close surveillance, and has now decided that their illegal operations should be brought to a halt.

Sources believed that the continuation of such activities are not only detrimental to the interests of the common people but also foul up the investment climate in the country.

The Central Bank's move against alleged illegal operations is expected to come within the next few weeks. The financial organization falling within this category will be asked to apply to the bank for a licence or wind up operations within a stipulated time period.

Sheikh Surour's warning was a sequel to some recent newspaper advertisements inviting public subscriptions to investment companies established in the UAE. The purpose of these companies, the advertisement said, included lending operations, financial transactions, participation in existing or proposed establishments or investing in movable property.

Such activities make them financial establishment under Article 114 of Federal Law No. 10 for 1980 pertaining to the Central Bank and the organization of the banking profession.

According to Article 115, the law does not allow financial establishments to commence work in the UAE or open branches abroad without first obtaining a licence from the Central Bank for the purpose. As from the date of the enactment of the Central Bank Law at the end of 1980, any company which is established

in the UAE and the purpose of which includes any of the items mentioned in Article 114 of the Central Bank Law is obliged to obtain the required licence from the bank before commencing its activities. Any company dealing in finance which is licenced after the above date and its purpose is contrary to the rules of this federal law is considered illegal.

Sheikh Surour's warning, meanwhile, has been warmly welcomed in business circles. Businessmen believe the monetary authority has at last woken up to a serious anti-national threat.

One Dubai-based businessman who is also heavily involved in banking praised Sheikh Surour for alerting the country to the dangers of uncontrolled financial organizations.

Another businessman said most of the operators have ascended on the UAE from neighboring Gulf countries. They then set up companies in Dubai, Sharjah, Ajman, Ras al Khaimah, Abu Dhabi and Fujairah. Very often these companies are launched with Dh. 100 million. Shares are then offered for public subscription.

In order to induce locals to buy these shares, they keep the initial value of the share at the lowest minimum, sometimes as low as one dirham per share. The response is naturally so good that very often the subscription exceeded 50 to 60 times the announced figure, the businessman added.

The money thus collected on false pretences is put in the banks with an arrangement with the latter for periodic kickbacks, the businessman, who did not want to be identified, said. Then part of the interest the amount fetches is distributed among the sponsors and the rest recycled into the company.

Thus at the end of a year, the subscriber may get a bonus of 5, 10 or 15 per cent on the amount of his share, and is made to feel satisfied that he has made a wise investment. The company itself then raises its capital. The new amount then does the same work all over again. The illusion, too, is maintained and so is the flow of profits.

Obviously, this cannot go on indefinitely. It is in the nature of the game that it will sooner or later be exposed. But when it is, it is not the rich subscribers who suffer. They receive hints in good time to regain their contributions.

CSO: 4820

BRIEFS

REFINERY VENTURE WITH INDIA--The UAE and India have held preliminary talks on building an oil refinery on the western coast of India as a joint venture, India's Minister for Petroleum P C Sethi announced in Parliament in New Delhi last week. Mr Sethi said further discussions at a higher level would be held soon. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Mar 81 p 9]

DISPUTED NUCLEAR PARTS--Parts of a nuclear power station ordered by the late Shah of Iran have been lying in a UAE port for the past two years, following a dispute between the West German manufacturer and the Iranian government. The equipment was for a station being built in Ahwaz. As the revolution got underway, the consignment was offloaded at Sharjah until the chaos subsided. It has been there ever since. When manufacturers Kraftwerk Union attempted to assume ownership of the parts, the Iranians objected. The case was taken to an international court in Geneva, where the ruling went against Iran. Siemens, the German parent company, must now begin legal proceedings all over again in Sharjah, however, to get the international ruling recognised. In the meantime, the equipment is urgently needed for a nuclear power station in Germany. Kraftwerk's problems are compounded by mounting protests over one of their planned West German plants, a 1,300MW reactor to be sited at Brokdorf, near Hamburg. [Text] [London 8 DAYS in English 14 Mar 81 p 44]

CSO: 4820

YEMEN ARAB REPUBLIC

BRIEFS

SWITCH TO SAUDI OIL--A switch in North Yemen's oil supplies, designed to thwart gasoline smugglers, is likely to bind the state even closer to Saudi Arabia, reports from Sana'a said last week. In the past, North Yemen has relied on imports of Kuwaiti crude, refined in Aden and then transported by land from South Yemen, to meet its requirements, which are essentially for gasoline. However, independent companies have been smuggling gasoline by road from Saudi Arabia and undercutting the official price in North Yemen by as much as two thirds, the report said. As a result, the state-run Yemen Petroleum Company, which is supposed to market 88,000 tonnes of gasoline per quarter, has seen its sales drop by as much as 75 per cent and the state has been losing badly needed revenue. Under a new agreement, Saudi Arabia will market oil through BP and Shell to North Yemen, although the reports suggested that there may also be some direct selling from Jeddah. While this may help the Sana'a government to clamp down on smuggling--the reports quoted local businessmen as saying that gasoline prices could drop by 50 percent--the side effect is almost certain to be even closer ties between North Yemen and Saudi Arabia, which has shown a marked distaste for moves towards union between North Yemen and its Marxist southern neighbour. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Mar 81 p 5]

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